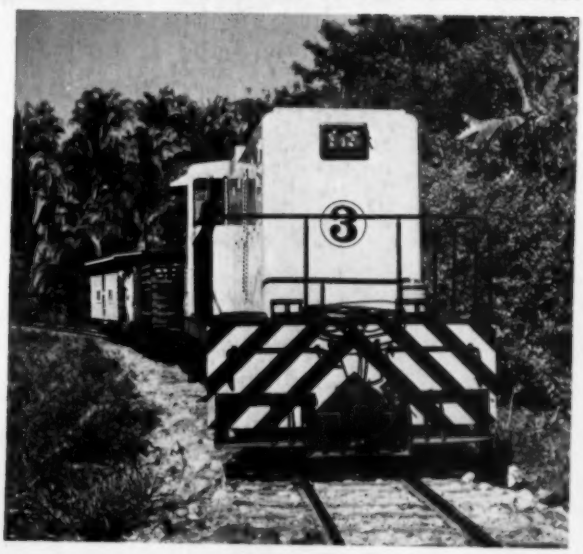
A U.S. DEPARTMENT OF COMMERCE WEEKLY

International Commerce

April 1, 1968



Trade Progress in Central America

International Trade Winds

Company News

BANKING—First National City Bank, New York, opened three new overseas branches during February, two in Argentina and one in the Dominican Republic, bringing the bank's total of overseas offices to 237 in 63 countries and territories. Citibank opened one new branch in Buenos Aires, Argentina, bringing the number of the bank's offices in that city to 10. The other new Argentine branch is located in Rosario. Citibank now has 17 branches and 10 offices of its subsidiaries in Argentina. The Dominican Republic office, the bank's fifth in that country, was opened in Santiago de los Caballeros.

VENDING MACHINES—UMC Industries Inc., St. Louis, has established a German subsidiary, UMC Industries Automaten, G.m.b.H., of Hausen. The new firm will sell the parent company's vending machines, particularly beverage vending machines and components for such machines.

IRON ORE PROCESSING—An iron ore pelletizing plant built by Dravo Pty., Ltd., a subsidiary of Dravo Corp., Pittsburgh, Pa., has begun operations at Dampier, in Western Australia. The plant is owned by Hamersley Iron Pty., Ltd., which in turn is partly owned by Kaiser Steel Corp., Oakland, Calif. The new plant is called the largest single line pelletizing facility in use in the world. Dravo's work on the project involved design, supply, construction, and commissioning for grinding, balling, and screening facilities, as well as the indurating section.

DATA PROCESSING—Sperry Rand Corp., Philadelphia, has supplied a $1.5 million Univac 1108 computer system to Mitsui & Co., Ltd., one of Japan's two largest trading firms. Mitsui has announced plans to organize a total management information system around the Univac system. The eventual aim is to unify all of Mitsui's business operations, which totaled more than $5 billion in transactions during 1967. The computer will link Mitsui's Tokyo headquarters with 45 branches and offices in Japan, and eventually will be extended to interconnect the company's 95 overseas offices and subsidiaries.

Newsletter

Destination Far East. Ten Commerce Department sponsored trade missions, accounting for nearly 50% of all such current missions, are heading toward the Far East this spring. Primary emphasis will be on Japan, Australia and Taiwan.

A product that is still two years away from the Japanese market will nevertheless get exposure at a reprographic show in the Tokyo U.S. Trade Center July 22-27. The 3M Co. will show five microfilm products, and also a five-minute color film on its Series F electron beam recorder, to whet Japanese interest in this item still unavailable there. The recorder receives signals from a computer and, via electron gun, writes them in standard alphabet-numerical symbols at 60,000 characters per second—25 times the speed of conventional computer printers. The writing surface is dry-silver microfilm, instantly developed by heat.

A frequent request to this magazine and other Commerce Department offices is for lists of U.S. companies with substantial overseas investments and operations. A pertinent reference source—with names and addresses of more than 4,200 U.S. companies, a list of their overseas branches and subsidiaries by country, and product and service information—is World Trade Academy Press' "Directory of American Firms Operating in Foreign Countries," 6th edition, published in 1966. It is distributed by Regents Publishing Co., Inc., 200 Park Ave. S., New York 10003.

A new point of introduction to the market in Malaysia for U.S. products is the Trade Promotion Center at the Selangor Chinese Assembly Hall in Kuala Lumpur. Foreign missions, including ours, have been invited to help stock reference shelves. Companies with products for the Malaysian market can get exposure for their current catalogs. Send two catalogs to: Cornelis J. Goinga, Commercial Attache, American Embassy, Kuala Lumpur, Malaysia. He'll keep one for the Embassy's Commercial Library and place the other on the Trade Promotion Center's shelves.

Systems Approach to Management Planning. Financial Management. Marketing Management. Developing a Management Team. Commerce Department is going into Eastern Europe this spring with seminars on U.S. concepts and methods in these fields. They will be held in Budapest, Hungary, May 21-24, and Poznan, Poland, June 10-14, in connection with U.S. exhibitions at international trade fairs. The exhibitions have been organized by the United States Information Agency.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for detailed know-how and analysis in our regular news columns.

U.S. Department of Commerce

C. R. Smith
Secretary

Lawrence C. McQuade
Assistant Secretary for Domestic and International Business

Lawrence A. Fox
Director, Bureau of International Commerce

Clarence M. Zens
Managing Editor

Americo A. W. Favale
Director of Graphics

Annual subscription $16.00 ($5.00 additional for foreign mailing). Single copy 35 cents. Domestic subscribers desiring airmail service must submit $28.00 additional for postage. Make remittance payable to the Superintendent of Documents and mail either to any U.S. Department of Commerce Field Office or to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

All subscription inquiries and address changes should be directed to the Superintendent of Documents at the above address. This is the central distribution agency for all U.S. Government periodicals.

Expressions herein from private sources are meant to stimulate thought toward the solution of problems confronting the international businessman and to provide constructive suggestions, but they are personal opinions. Contents of this publication are not copyrighted unless so indicated. Noncopyrighted materials may be reprinted freely. Mention of source will be appreciated. Use of funds for printing this publication approved by the Director of the Bureau of the Budget on June 17, 1966.

the cover

Central America is on the move economically, and prospects for U.S. sales and investments in the five-nation area of the Central American Common Market (CACM) are changing dramatically as their economies modernize. Cover photos show U.S.-supplied equipment in use in various economic areas: agriculture, transportation, and industry. A special 24-page section on the CACM discusses U.S. prospects in this fast growing market, with special emphasis on the impact of economic integration. The section begins on page 2.

April 1, 1968

Volume 74
Number 14

International Commerce

Published by
BUREAU OF INTERNATIONAL COMMERCE

Special Report

Progress in Central American Common Market And Its Five Nations Reviewed, Pages 2-25

Congress Gets Administration Export Expansion Plan 26
Measures recommended by President to aid balance of payments: more Eximbank funds for export credit, expanded Commerce activity

Arizona's First Trade Mission Back with Results in Mexico 28
Week-long visit to Mexico City, Puebla, Guadalajara brings $413,000 in sales, and $800,000 projection over year

New U.S. Overseas Promotion Schedule Issued 34
Monthly list has 35 opportunities for U.S. business exposure abroad with Commerce Department support

MISCELLANEOUS—Report on International Executives Association meeting 27
Delay given U.S. investors in Canada who must file amended form 29
Twelve industry missions to spur U.S. exports in Australia 29
Mack Trucks wins 'E' award for overseas sales of heavy-duty vehicles 30
HemisFair '68 will have building devoted to servicing the businessman 31
WORLDWIDE BUSINESS OUTLOOK—Netherlands saw progress in 1967 40
Downward trend in U.S. share of Taiwan market reversed in '67 42
Inflation top Finnish problem; trade deficit improves 44
U.S. GOVERNMENT ACTIONS—New Orleans asks foreign trade subzone 51
FOREIGN GOVERNMENT ACTIONS—Lower taxes proposed in India 52
INVESTMENT OPPORTUNITIES—Australians want U.S. licenses 54
TRADE OPPORTUNITIES—Kuwait plans port expansion 56
NEW BOOKS AND REPORTS—Book outlines doing business in Mexico 64

Central American Common Market here to stay

By CARL JACOBSEN
American Republics Division, BIC

The United States and Central America have both benefited in trade as a result of formation several years ago of what is known today as the Central American Common Market.

JACOBSEN

The outlook is for continued growth though at a slower pace.

The five countries which joined together in the early 1960's to form the Central American Common Market (CACM) have similar economic and political histories.

Attempts at union, both economic and political, have been made on various occasions since independence was achieved from Spain.

All five countries are basically agrarian, with large segments of the labor force engaged in agriculture. Although industrialization is taking place rapidly, the market as a whole is still highly dependent on basic crops—coffee, bananas, cotton, sugar, and more recently beef—for foreign exchange earnings.

Nevertheless, the achievements of the CACM to date have been impressive. Growth in the manufacturing sector has averaged better than 9% per year since 1960. Intra-CACM trade has expanded rapidly, from $32.7 million in 1960 to an estimated $200 million in 1967. Imports from the United States have jumped from $210 million in 1960 to an estimated $399.7 million in 1967.

Among the most successful aspects of the CACM are the regional institutions. Regional approaches are being taken in such areas as roads, telecommunications, airlines, fishery research, investment and marketing research, and tourism—for the most part unheard of before the market was founded. Certainly the leaders in commerce, industry, and government in all five countries generally agree that the market is here to stay. Further, their growth and prosperity depend on continued integration.

The CACM is not without its problems. With agricultural products as the basis for foreign exchange earnings, any fluctuation in world market prices can sometimes be disastrous. In addition, fiscal problems facing all five countries, in varying degrees, further complicate the economic outlook. To attract new industry, all countries have granted various forms of investment incentives.

These exemptions have resulted in a loss of some much needed central government revenue and in part have contributed to the present fiscal deficits. In addition, the incentive laws have fostered some low value-added industries of questionable benefit to the economic development of the area. These factors, taken in conjunction with the balance of payments problem, probably will force some concerted corrective action by the CACM this year.

The balance of payments and/or fiscal problems vary in form and severity from country to country. Thus, overall stringent restrictions appear unlikely at this time. The various methods proposed to resolve these problems on a CACM basis include: lowering the number, type and amount of investment incentives presently offered; establishing a stabilization fund; raising tariff levels on selected commodities; and finally, the application of surcharges. Although the very cohesiveness of the CACM is now being tested, no serious proposals have been made by any members to withdraw.

The individual economic outlook for each country is:

Costa Rica: Deficit financing and initiation of a dual exchange system in January 1967 has created some uncertainty. A transition from rapid economic growth sparked by increases in public and private consumption and large foreign borrowing to more balanced growth with emphasis on investment, especially in agriculture and roads, is taking place. A new general sales tax and temporary surcharges on income and property taxes will slow private consumption expenditures and hopefully help reduce the government deficit and relieve the serious balance of payments problems.

Guatemala: The economy continued to slow down during 1967. A drop in exchange earnings, without any significant reduction in import levels, reduced international reserves. The ability of the government to move forward on planned infrastructure projects may determine the degree of overall economic improvement. Industry should begin to contribute to an upturn, as an increased number of projects approved under the industrial incentive laws will become operative this year.

Honduras: Government expenditures for infrastructure projects were well below the amounts appropriated and thus contributed greatly to a general economic slowdown in 1967. Export earnings were below 1966 levels. Export levels should improve, however, during 1968 and, with increased government expenditures there is optimism in the private sector.

Nicaragua: Investment continued at a high level in 1967, but exports were only slightly above the previous year. Imports apparently leveled off during 1967, but international reserves declined. The government, plagued by two years of drought, has announced a policy of austerity for government expenditures. While foreign investment definitely will be encouraged in industry and natural resources, the government will place major emphasis on agricultural development.

El Salvador: The economy experienced a slowdown after five years of sustained growth. Retail sales and construction activity were down in 1967, although industrial production and exports to the CACM held up well. Programs to propel the economy back toward sustained growth are in the planning stages.

The overall outlook in the CACM for the long term is one of steady growth, but probably not at as dramatic a rate as during the formative years. The area will become more export conscious and trade patterns will continue to shift towards larger imports of raw materials. This long-term outlook will be conditioned by the efforts the CACM makes to resolve its balance of payments problems and the fiscal deficits.

The short-term outlook is for slower growth, with some sort of additional restrictions and/or trade controls, probably temporary, to raise revenue.

THE CACM EXPERIENCE

Integration benefiting all

Annual trade increases top all expectations as to size and duration

By J. M. VON STROEBEL

American Republics Division, BIC

Economic integration has affected the foreign trade of Central America in every aspect, both global and regional. In spite of shifts and variations in patterns, these changes on the whole have benefitted almost all concerned.

VON STROEBEL

Effects on trade of the General Treaty of Central American Integration, signed in Dec. 1961, were not noticeable until 1962. Since then the annual increase in trade has surpassed all expectations.

A high growth rate in trade had been expected during the early years of the Central American Common Market (CACM), with a reduced growth rate after the initial period. The great surprise has not only been the very high annual growth rate, but that it has remained so high for so long. Obviously it will be almost impossible to maintain this overall rate of growth continuously.

Total imports

Total CACM imports (see table below) increased 88.8% from 1961 to 1966, with the following individual increases: Costa Rica, 76.2%; El Salvador, 102.3%; Guatemala, 54.9%; Honduras, 107.1%; and Nicaragua, 144.5%. Total CACM exports also have advanced at a rapid pace, showing an increase of 86% from 1961 to 1966. Costa Rican exports were up 74.6%; El Salvadoran, 61.6%; Guatemalan, 105.2%; Honduran, 101.2%; and Nicaraguan, 101%.

The most remarkable and encouraging result of Central American economic integration has been the rapid growth of regional trade, the mortar which binds the five members together in the CACM. Although still a comparatively small part of total trade, in only a few years it has become the second most important segment, after only CACM-U.S. trade

In 1950 trade between the five countries amounted to only $8.3 million. It doubled by 1957, doubled again by 1960 and again by 1963, reaching $66.2 million, and then trebled itself by 1967, to about $200 million. As a portion of total trade, regional trade rose from 3.2% in 1957 to 20% in 1966.

Imports from U.S.

Imports from the United States into the CACM increased from $229.7 million in 1961 to $385.2 million in 1966 and an estimated $399.7 million in 1967. Based on total imports, this would appear to have been a reduction in the

CACM Trade Patterns

	Costa Rica		El Salvador		Guatemala		Honduras		Nicaragua		Central America	
	1961	1966	1961	1966	1961	1966	1961	1966	1961	1966	1961	1966
IMPORTS (c.i.f. value millions of dollars)												
Total imports	107.2	178.6	108.7	219.9	133.6	206.9	72.0	149.1	74.4	181.9	495.9	936.3
From CACM	4.0	23.4	14.7	52.0	8.9	33.8	6.3	32.5	2.9	31.7	36.8	173.3
Costa Rica	—	—	0.6	5.9	0.9	4.3	0.1	5.0	0.5	10.6	2.1	25.8
El Salvador	1.6	7.7	—	—	6.8	23.5	4.6	14.8	1.4	10.0	14.4	55.9
Guatemala	1.1	9.1	6.8	27.2	—	—	1.5	9.8	0.9	8.9	10.3	55.1
Honduras	0.4	2.2	6.6	13.3	1.2	3.9	—	—	0.1	2.2	8.3	21.7
Nicaragua	0.9	4.4	0.7	5.5	0.1	2.1	0.1	2.9	—	—	1.8	14.9
From United States	49.9	69.7	42.6	71.5	63.4	86.6	37.5	74.3	36.3	83.1	229.7	385.2
From West Germany	11.6	17.8	10.6	17.6	14.7	17.7	4.5	8.0	6.1	12.5	47.5	73.6
From Japan	7.4	15.7	7.6	14.4	5.9	15.4	5.7	5.4	4.5	9.9	31.1	60.9
As % of total imports:												
Intra-CACM trade	3.7	13.1	13.5	23.6	6.7	16.3	8.8	21.8	3.9	17.4	7.4	18.5
From United States	46.5	39.0	39.2	32.5	47.5	41.9	52.1	49.8	48.8	45.7	46.3	41.1
As % of Extra-CACM imports:												
From United States	47.4	44.9	45.3	42.6	50.8	50.1	57.1	63.7	50.1	55.3	50.0	50.5
From Germany	11.0	11.5	11.3	10.5	11.8	10.2	6.8	6.9	8.5	8.3	10.3	9.6
From Japan	7.0	10.1	8.1	8.6	4.7	8.9	8.7	4.6	6.3	6.6	6.8	8.0
EXPORTS (f.o.b. value millions of dollars)												
Total Exports	79.8	138.9	119.1	192.5	110.2	226.1	72.3	145.5	68.4	137.5	449.8	840.0
To countries of CACM	2.2	25.2	15.0	58.9	8.6	50.8	8.6	20.4	1.8	16.2	36.2	171.5
Costa Rica	—	—	1.5	8.4	0.8	7.3	0.3	2.3	0.9	5.6	3.5	23.6
El Salvador	0.7	6.2	—	—	6.2	28.5	6.2	10.8	0.7	5.3	13.8	50.8
Guatemala	0.9	4.7	7.7	23.8	—	—	2.1	4.8	0.1	2.3	10.8	35.5
Honduras	0.2	4.4	4.6	16.8	1.3	7.2	—	—	0.1	3.0	6.2	31.4
Nicaragua	0.4	10.0	1.3	10.0	0.3	7.9	0.1	2.4	—	—	2.1	30.2
To United States	45.2	60.3	40.2	50.7	58.8	70.2	47.5	82.4	30.9	30.2	222.6	293.9
To West Germany	17.1	16.0	36.3	46.7	19.4	30.3	3.9	22.5	8.2	21.0	84.9	136.5
To Japan	0.5	1.0	18.7	21.5	8.5	19.4	0.4	3.6	13.3	42.3	41.4	87.8
As % of total exports:												
Intra-CACM trade	2.8	18.1	12.6	30.6	7.8	22.5	11.9	14.0	2.6	11.8	8.0	20.4
To United States	56.6	43.4	33.8	26.3	53.4	31.0	65.7	56.6	45.2	22.0	49.5	35.0
As % of Extra-CACM exports:												
To United States	58.2	53.0	38.6	38.0	57.9	40.0	74.6	65.9	46.4	25.0	53.8	44.0
To Germany	22.0	14.1	34.9	35.0	19.1	17.3	6.1	18.0	12.3	17.4	20.5	20.4
To Japan	0.6	0.9	18.0	16.1	8.4	11.1	0.6	2.9	20.0	35.0	10.0	13.1

Market Profile: Central American Common Market

(1967 or latest year available)

	Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua	All CACM Countries
Area 1,000 sq. miles	19.6	8.3	42.0	43.0	54.0	166.9
Agricultural land	30%	51%	19%	38%	13%	24.8%
Population, millions, 1961 and 1966:	1.29-1.56	2.57-3.01	4.06-4.77	2.00-2.33	1.45-1.71	11.37-13.38
Density per sq. mile 1966	83	380	120	56	33	
Urban population	34.5%	38.5%	33.6%	23.2%	40.9%	33.9%
Population growth rate	3.6%	3.2%	3.3%	3.1%	3.5%	3.2%
Average life expectancy	63	60	49	46	54	53
Literacy rate	84%	48%	38%	45%	50%	48%
Percent of total labor force in agriculture	49%	60%	73%	66%	60%	64%
Thousands of telephones	25	25	25	10	15	100
Radio transmitters	40	67	71	51	63	292
Improved roads, miles per 1,000 sq. miles	178	339	169	33	34	100
Motor vehicles registered (000's)	36	35	58	19	24	172
Electric power production, millions of kw. hours, 1961 and 1965:	460-650	270-420	290-450	100-170	200-310	1,320-2,000
Total imports, 1966, millions of dollars c.i.f. value	178.6	219.9	206.9	149.1	181.9	936.3
Total exports, 1966, millions of dollars f.o.b. value	138.9	192.5	226.1	145.5	137.0	840.0
Currency, units per U.S. $	6.65 * Colones	2.50 Colones	1.00 Quetzal	2.00 Lempiras	7.00 Cordobas	1.00 C.A. Peso **
Gross National Product, 1961 and 1966 in millions of 1965 dollars:	$471-$632	$604-$840	$1,067-$1,500	$429-$525	$419-$622	$2,990-$4,119
GNP average annual growth rate:						
1957-58 to 1965-66	4.8%	5.6%	5.7%	3.7%	5.9%	
1961 to 1966	6.1%	6.8%	7.1%	4.1%	8.2%	
1966	6.2%	5.7%	6.4%	4.2%	5.8%	5.8%
Per capita GNP 1961 and 1966, in 1965 dollars:	$364-$406	$235-$279	$263-$314	$214-$225	$228-$365	$263-$308
Per capita GNP average annual growth rate:						
1957-58 to 1965-66	1.0%	2.5%	2.4%	0.6%	2.8%	
1961 to 1966	2.3%	3.6%	3.8%	1.0%	5.0%	
1966	2.5%	2.2%	3.0%	1.0%	2.7%	2.3%
Origin of GDP:						
Agriculture, forestry, fishing	31.2%	30.0%	28.4%	43.0%	35.0%	32.0%
Manufacturing	14.6%	17.0%	15.2%	13.8%	13.0%	15.7%
Commerce	9.7%	24.1%	29.3%	13.8%	19.7%	21.8%

* Official rate.

** The Central American Peso does not exist as a currency, it is strictly an accounting unit.

total CACM import market share, from 46.3% in 1961 to 41.1% in 1966 and 40.2% in 1967. Actually, the decrease is due to the large gain in intra-CACM regional trade.

More realistically, as a share of global CACM imports excluding regional trade, the U.S. share actually increased slightly, from 50% in 1961 to 50.5% in 1966 and an estimated 50.6% in 1967.

Although all five countries have substantially increased the value of imports from the United States since 1961, the U.S. share of extra-regional imports increased only in Honduras and Nicaragua. The U.S. share of 1966 global imports of each country, excluding regional trade (share of total imports in parentheses) was Costa Rica, 44.9% (39%); El Salvador, 42.6% (32.5%); Guatemala, 50.1% (41.9%); Honduras, 63.7% (49.8%); and Nicaragua, 55.3% (45.7%).

West Germany's share of the CACM market has been increasing in absolute value, but has been decreasing slightly as a percentage of global extra-regional imports.

Japan's share grows

Japan, on the other hand, has been increasing its share of the market both in absolute values and in relative share from $31.1 million or 6.8% of extra-regional imports in 1961 to $60.9 million or 8% in 1966.

CACM exports to the United States have increased in share of the total export market from 49.5% to 35%, or in share of global exports excluding regional trade from 53.8% to 44%. In absolute values, exports of each of the five countries to the United States increased, except those of Nicaragua, which remained about the same. They decreased, however, both as a share of total exports and of extra-regional trade for all five.

Exports to Germany increased, from 10.9% of total trade to 16.3% between 1961 and 1966, but remained about the same at 20.4% of extra-regional exports. Exports to Japan also increased, from 9.2% to 10.5% of total exports, and from 10% to 13.1% of extra-regional exports.

During the years 1958-61, six basic

United States trade with CACM

From U.S. to CACM

	Millions of $			Percent of total		
	1961	1966	1967	1961	1966	1967
Machinery, non-electrical	28.7	65.9	62.4	13.7	18.3	17.5
Road motor vehicles and parts	18.5	35.1	31.6	8.8	9.7	8.9
Chemicals, n.e.s.	21.2 [1]	24.2	28.5	10.1	6.7	8.0
Paper and paperboard	3.5	23.6	22.7	1.7	6.5	6.4
Wheat	6.5	9.6	12.5	3.1	2.7	3.5
Textile yarn, thread and fabrics	11.4	13.6	11.6	5.4	3.8	3.3
Medicinal and pharmaceutical products	6.8	9.7	9.7	3.2	2.7	2.7
Synthetic resins, regenerated cellulose and plastic materials	2.7	6.7	7.3	1.3	1.9	2.0
Petroleum products	5.8	6.4	7.1	2.8	1.8	2.0
Insecticides, fungicides and similar products	[2]	4.7	7.1		1.3	2.0
Fertilizers, manufactured	2.4	5.6	5.9	1.1	1.6	1.7
Other commodities	102.7	155.7	150.2	48.8	43.0	42.0
Total exports	**210.2**	**360.8**	**356.6**	**100.0**	**100.0**	**100.0**

[1] Includes insecticides. [2] Data not comparable.

From CACM to U.S.

	Millions of $			Percent of total		
	1961	1966	1967	1961	1966	1967
Coffee, raw	104.5	123.7	105.9	52.8	40.9	35.3
Bananas	35.4	87.6	83.4	17.9	28.9	27.8
Beef, fresh, chilled or frozen	10.3	23.3	32.4	5.2	7.7	10.8
Sugar	8.4	22.8	27.7	4.2	7.5	9.2
Shrimp	7.1	12.9	13.4	3.6	4.3	4.5
Other commodities	32.2	32.5	36.8	16.3	10.7	12.4
Total	**197.9**	**302.8**	**299.6**	**100.0**	**100.0**	**100.0**

agricultural products—coffee, bananas, cotton, sugar, meat and live cattle—accounted for an average of 81.8% of total exports of the five countries, with coffee accounting for 46.6% and bananas 15.8%. In recent years there has been some badly needed diversification to cotton, cattle, sugar and some minor products, thereby reducing traditional dependence on coffee and bananas as the primary source of foreign exchange earnings.

By 1965 the six basic products still accounted for 73.1% of total exports, but with coffee and bananas reduced to 38.8% and 11.3%, respectively, and cotton increased to 19.4%. However, from the point of view of global exports, excluding intra-CACM trade, agricultural products still accounted for over 95% of all exports.

During the several years prior to 1961, export earnings of the Central American countries declined, due primarily to variations in export prices of the major export commodities.

The recovery and growth of export earnings after 1961 has been only partly the result of increased prices. One of the principal reasons has been the spectacular increase in cotton production with the opening of the rich Pacific coastal lands through road construction. The other has been the rapid growth of intra-CACM trade and the growth of manufactures, which constitute the major factor in that trade.

Cotton production has suffered some setbacks, but will continue to be an important source of exchange earnings. It is doubtful if earnings from the major traditional agricultural exports can be expanded very much more.

Great potential

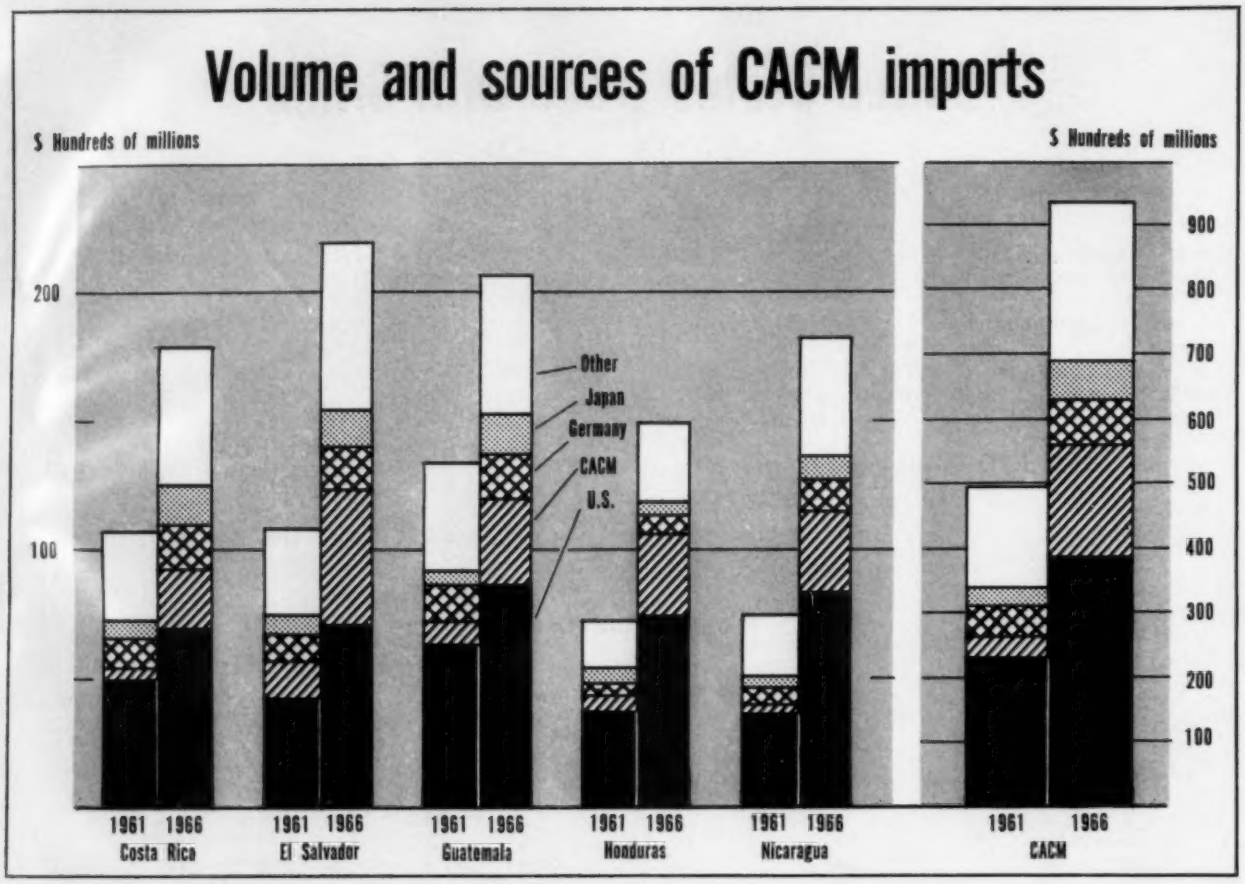
There is great potential, however, for expansion of exports of forestry products, beef, processed foods, and the like, and for various minerals. Export expansion beyond these must look largely to manufactures which can compete on world markets.

The Central American countries are largely self sufficient in production of basic food, except wheat, which is imported. Trade in food products has grown somewhat in absolute value (see table on page 7) but has decreased in importance in regional trade, as there are few complementary situations in crude foodstuffs between the CACM members.

The important cause of shifts in commodity patterns, both international and intra-regional, has been the growth of local industries within the CACM. Manufactured goods reflect the impetus of the common market more than any other category. Industry has been growing rapidly, with value added in manufacturing increasing annually.

The common external tariff substantially increased the protection given local manufactures. The virtual elimination of intra-CACM trade barriers, however, increased competition between local manufacturers at the same time it was providing a wider market for their goods.

Initially, intra-regional trade was based on already established national industries, such as textiles, clothing, shoes, and processed foods, which merely expanded



somewhat into the newly opened market areas in the other member countries. But these traditional industries have been responsible for less of the growth in regional trade than new industries.

Newer industries recently becoming established are involved largely in producing intermediate products. Many future industries will be export-oriented.

Intra-CACM regional trade as a portion of total imports has increased in all major trade sectors, but has shown greater increases in certain lines. In 1965, 14% of chemical product imports were from CACM sources as compared with only 5.6% in 1962; 15.5% of manufactures classed by materials, compared with 7.2%; 32.4% of miscellaneous manufactures, compared with 13.4%; 22.2% of other goods, compared with 10%; and 6.9% of fuels and lubricants, compared with 0.2%.

Imports from outside of the common market will remain heavily in finished manufactures, both capital and consumer goods, for some time, but the steady industrialization of the CACM will cause some shifts in commodity patterns.

The growing industries of Central America will eliminate the market for many consumer goods through import substitution, but these same industries depend to a great extent on imported raw materials, components, and intermediate goods, and imports of these items have risen substantially both in value and share of the total import market.

The growth of the CACM has benefitted U.S. exporters. The value of total U.S. exports to the area increased some 71.6% during 1961-66 (table p. 7). Although all major commodity sectors have shown absolute increases, heavy U.S. and other capital investment in the CACM, agricultural developments, and growing industrialization are causing changes in the commodity pattern.

Capital goods, machinery, agricultural and transportation equipment, paper and paperboard, plastics, insecticides, fungicides, fertilizers, and the like have increased their share of the export market, while textile yarns and thread, pharmaceutical products, and petroleum products have decreased their shares.

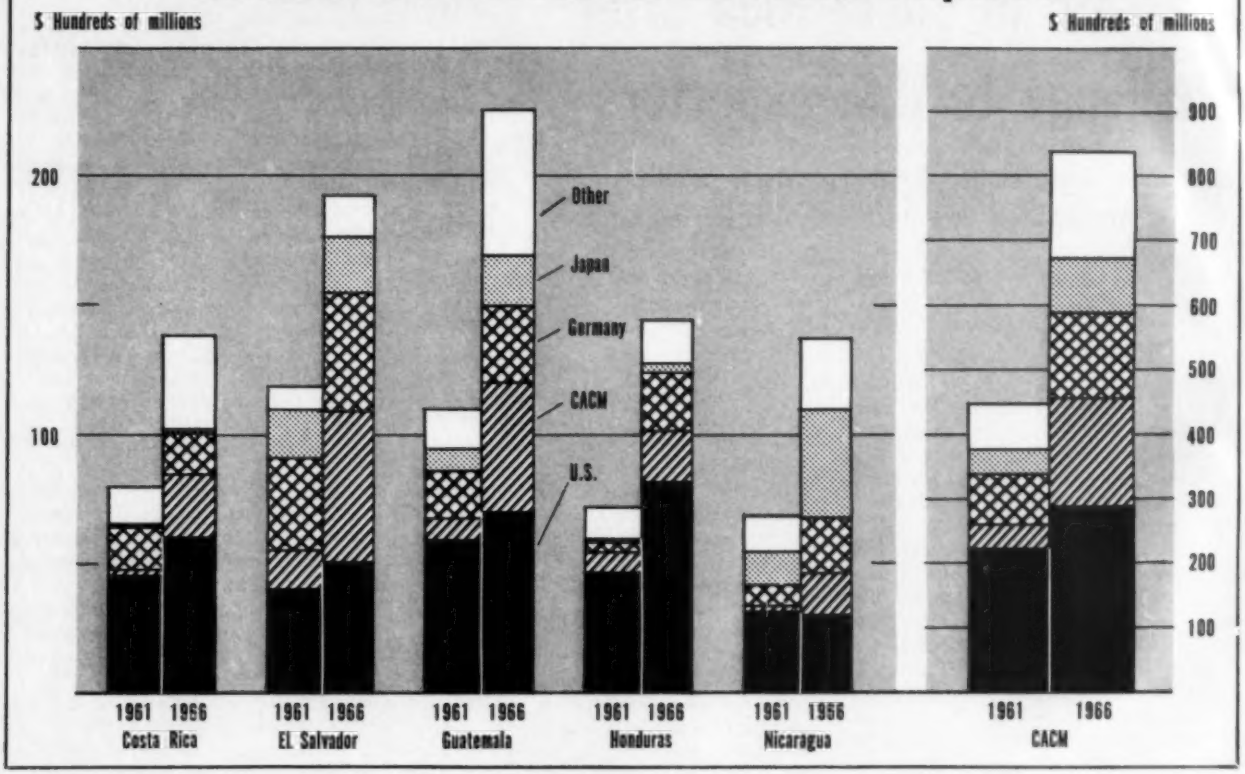
U.S. imports of CACM products also have grown over the years (see table) with imports valued at 53% more in 1966 than in 1961. Coffee imports have increased only slightly in value, and have dropped considerably in share of the U.S. import market, while other major commodities such as bananas, beef, shrimp, and sugar have all increased both in value and in share of the market.

The articles prepared by each of the U.S. Commercial Attaches in Central America and published in this issue of International Commerce discuss the outlook for U.S. exports in each of the five countries. In general, the CACM has provided the U.S. exporter with a growing and comparatively easy market area for some years, but current events will make it a more challenging market.

Balance of payments problems in some of the countries could reduce the import capacity of the market temporarily. Tight credit, minor payments problems because of exchange controls, and possibly even some import restrictions could face U.S. exporters.

Vigorous European and Japanese trade missions during the recent past are indica-

Volume and direction of CACM exports



tive of the serious competition which U.S. traders and exporters will face in the CACM, especially in the light of Central American economic problems which make initial price and credit conditions much more important than brand names.

Because of the shifts in the commodity patterns some U.S. exporters may have to reappraise the market. Such a reappraisal may not only confirm the loss of a market, but may also very well indicate previously unnoticed opportunities.

The agricultural development programs provide increasing demands for a constantly growing range of agricultural machinery, equipment and related items as well as dairy, poultry and livestock equipment. Programs in several countries to develop the tremendous forestry resources will require considerable equipment.

Imported foodstuffs are very expensive because of high import charges, but the market for food processing, packaging, handling, and refrigeration equipment is growing. The increasing middle classes are shopping more and more in large neighborhood stores, buying processed foods and attractively packaged and presented produce and meats.

The growing light industry manufacturing sector is placing increasing emphasis on packaging equipment, as are the well-established pharmaceutical firms. Power and hand tools as well as metal and wood-working machines are in demand.

The extra effort necessary to review the changing market pattern in the Central American Common Market may be repaid in new sales, or in sales not lost.

Intra-CACM regional trade

	Millions of $		Percentage of total	
	1961	1966	1961	1966
Food products	14.6	39.7	39.7	22.5
Beverages and tobacco	0.9	2.5	2.4	1.4
Inedible raw materials	2.0	6.3	5.4	3.6
Fuels and lubricants	0.2	1.9	0.4	1.1
Fats and oils	1.7	5.2	4.6	2.9
Chemical products	3.5	26.4	9.5	15.0
Manufactures classed by materials	8.1	51.4	22.0	29.2
Machinery and transport equipment	1.3	7.6	3.5	4.3
Miscellaneous manufactures	4.4	34.6	12.0	19.6
Others	0.2	0.7	0.5	0.4
Total Trade	**$36.8**	**$176.3**	**100.0**	**100.0**

CENTRAL AMERICA REPORT

Markets in Costa Rica offer challenge to U.S. exporters

U.S. sales of agricultural input products should gain despite anticipated downturn in country's imports

By GEORGE T. BECK
Commercial Attache,
U.S. Embassy, San José

Partial devaluation, a fluctuating free exchange rate, Central Bank delays in making exchange available, new taxes, and recent discussion of direct controls on imports have made Costa Rica a more difficult and confusing market for the export manager and especially the credit department.

There is every reason to believe, however, that exporters taking the trouble now to sustain and even expand their marketing activities here will gain a strong competitive advantage that will pay off well in the near future.

In the face of apparently adverse conditions, U.S. exports to Costa Rica rose to more than $72 million in 1967, a record high level, and a gain of some 5% over the previous year. The United States maintained a 40% share of Costa Rican imports from all sources which also reached a new peak of more than $185 million. And for the first time in nearly a decade, there was an increase in the U.S. proportion of Costa Rican imports from outside the Central American Common Market (CACM).

U.S. proximity to Costa Rica in comparison with other industrial countries and increased U.S. AID and Export-Import Bank financing helped turn the general uncertainty into a U.S. advantage in many lines. More intensive selling efforts and a relatively liberal credit policy for established distributors appear to have contributed as well.

Although some downturn in Costa Rica's overall imports appears inevitable in 1968, there is a good chance that American industry can maintain and even increase its share of the market if more exporters adopt and further exploit the techniques which accounted for our trade strength in 1967. In fact, this will be imperative, as promotion activities of other major exporting countries increased during 1967 in the form of high-level trade missions, wider advertising campaigns, and new merchandising and credit techniques.

COMMERCIAL ATTACHE BECK (center) talks with Costa Rican businessmen who handle U.S. products in the course of his daily rounds in San Jose.

Credit flexibility is key

A key to the situation will be the exercise by credit managers of a flexible but judicious attitude toward temporary delays in payment where these are beyond the control of the importer, and careful exploration of all facilities available through government and private banking credit channels.

The importance of this approach was well illustrated recently. A Costa Rican importer of agricultural equipment received a cable from a European supplier demanding immediate payment of a 45-day overdue bill just the day before he was going to place an order worth about $100,000 with that supplier. The importer had more than sufficient colones available but was waiting for authorization of exchange at the official rate for which he was eligible instead of purchasing in the free market at a 20% penalty. He bought the exchange at the penalty rate and paid the European firm; he placed the order with a U.S. supplier who had been showing more understanding of the local situation and his problem.

In stressing credit flexibility as a good wedge for trade promotion here, it is not recommended that credit managers suspend critical judgment on economic trends here or on the merits of financing particular transactions. It is merely suggested that they not overlook certain basic strengths in the economy in making a decision.

For example, Costa Rica has the largest middle-class in Central America with a population increase of 3.5% annually. It is an economically viable market with a gross national product growing at one of the highest rates in Latin America. Its renewed concentration on agriculture should yield exports rather quickly to pay for increased imports. Also, most established Costa Rican business firms have a long history of meeting their debts.

Opportunities vary

Near term prospects for U.S. exporters are likely to vary considerably among product lines. Exporters of consumer durable and non-durable goods, as well as industrial components for their local manufacture, will find it harder to make sales as some overall drop in demand seems inevitable. Capital goods sales for new industrial installations will be more difficult because of the Government's current disposition to discourage proliferation of assembly-type industries, which are now held responsible for part of the balance of payment and fiscal problems.

Turning to the more favorable side of the trade picture, new government policies designed to stimulate basic investment in the economy should lead to some promising export opportunities for U.S. products. One phase of the investment program is the promotion of agricultural diversification to reduce excessive dependence on coffee exports, which still account for about 40% of foreign exchange earnings.

U.S. trade prospects are particularly good in connection with the program to treble banana production by 1974. U.S. private capital also is participating in new rice farming efforts and in the search for promising new agricultural products, some of which might be marketed in the United States. The livestock industry which is being encouraged has continued to expand rapidly and meat supplies for sale abroad are increasing.

These agricultural and livestock promotion efforts should create favorable prospects for sales of a variety of products including animal husbandry equipment, cartons for boxmaking, land clearing ma-

chinery, conveyors, food processing machinery, cold storage equipment, herbicides and pesticides, barbed wire, tractors, diesel motors, and four-wheel drive vehicles.

Another phase of the basic investment program is roadbuilding. Costa Rica is proceeding with large projects on the Inter-American Highway and feeder roads. Some $50 million in new financing for roads has been granted or is in advanced stages of negotiation with international financing agencies. These road expenditures, planned hospital expansion, a major water supply project, and private construction activities will create a demand for heavy construction and road servicing equipment.

Although a lower level of imports for industrial purposes is anticipated, continuing requirements of raw materials will be substantial. Industry has been growing at an average rate of 10% a year and there is now a significant industrial complex.

Major consuming units of raw materials include a large U.S. fertilizer plant, a petroleum refinery plant and a hundred or more medium-size plants which mix, assemble, or manufacture such products as: banana cartons, building supply materials, paints, pharmaceuticals, electronic equipment, furniture, floor coverings, and textiles and clothing. Exports of locally produced goods to other CACM countries have increased considerably, amounting to $27.9 million in 1966.

New areas expected to develop

Some increasingly active fields in which export opportunities may arise soon are tourism, mining, and forestry. The Government is gearing for an anticipated heavy increase in tourists and is studying projects to improve accommodations and to develop resort facilities. In mining, many representatives of U.S. companies have been investigating prospects here. Some small mining operations are likely to be carried out for sulfur and gold. Costa Rica's rich forest resources are being worked more intensively for local building and furniture needs and for export. Sales possibilities should improve for wood drying kilns and power saws.

Despite the mixed outlook for U.S. exports at this time, steady promotion efforts by American industry will be worthwhile to benefit from the normal export potential in this market. Costa Rica's average imports are expected to rise about 7% annually over the next decade, as exports of agricultural products, especially bananas, are expanded.

U.S. exporters are receiving some valuable assistance in this market through the AID program. A current loan is financing the sale of fertilizer and raw materials for fertilizers from the United States.

ROADBUILDING HAS A FEATURED ROLE in Costa Rica's basic investment program, with $50 million to be spent on new roads. Heavy construction and road servicing equipment will be in heavy demand.

Greater efforts along one or more of the following lines would help meet competition here:

► More frequent business visits. A ten-man Miami Dade County business mission which made a 12-day visit to the CACM countries in January 1968 reported doing business on the spot amounting to $140,000. Its members also expect at least another $735,000 of business within a year as a result of contacts and representation arrangements made during the trip.

► Extension of longer-term credit. One major company selling U.S. tractors here has strengthened its competitive position by offering five-year credit terms, as already offered by a European competitor. This enables its products to be imported at the official rate of 6.65 colones per dollar, some 20% below the prevailing free rate which generally governs tractor imports.

► Stimulating more imaginative sales efforts. The U.S.-trained son of a long-established machinery importer is employing a successful sales technique which is not common here. As a result of his proximity to the U.S. companies represented by the family firm, he has been able to make yearly training visits and has acquired a thorough knowledge of the many applications and economies of his machinery lines for industrial plants.

He closes most of his sales by demonstrating the need for this machinery at the customer's plant. He also provides careful after-sales service and instruction to ensure that the machinery is operated according to factory approved methods and will deliver the promised performance.

Trade payment delays

Some U.S. firms are experiencing delays of one to three months, and in exceptional cases longer, in obtaining payments for commercial transactions. This situation which began in 1967 may continue for part of this year because of a shortage of foreign exchange, a problem the Government is now tackling energetically.

A delay arises most commonly on shipments of goods on the official list of imports which are eligible for the official exchange rate of 6.65 colones per dollar, compared to the less favorable current free market rate of 8.10. Applications for these transactions must be authorized by the Central Bank which generally processes them in order of receipt. When the Bank's dollar holdings are low the rate of approval is slowed down.

As this situation is beyond the control of the importer, most U.S. exporters are taking a sympathetic view of the situation to build long-term relations and increase exports to Costa Rica.

El Salvador continues top trader within CACM as industry expands

U.S. exporters must adjust to shifting import patterns, greater competition from Europe, Japan, Latin neighbors

By RICHARD F. MUENZER

Commercial Attache,
U.S. Embassy, San Salvador

El Salvador continues as the top trader in both exports and imports within the Central American Common Market (CACM) and recently has marketed some of its new industrial manufactures in Europe and the United States.

MUENZER

Figures for the first half of 1967 indicate exports of $32.1 million, 34% of total intra-regional sales, and imports of $25.6 million, accounting for 25% of reciprocal imports. This favorable balance of trade with the other CACM nations and development of sales to the United States and Europe are relieving some pressure on El Salvador's balance of payments.

With increased interest and stiffening competition from industrial suppliers of Western Europe, Japan and other Latin American countries, U.S. exporters will have to make additional efforts to maintain their share of the Salvadoran import market.

Although final 1967 figures are not yet available, the U.S. share of the market was 31.2% for the first half of the year. The next four major supplying countries were Guatemala, 12.6%; West Germany, 8.3%; Japan, 7.1%; and Honduras, 5.9%.

Exports increase

El Salvador's 1966 figures for net trading with all countries indicated a trade deficit of $27 million, up sharply over 1965. Exports in 1966 totaled $192 million; imports, $219 million. Preliminary totals for 1967 recently released by the President of the Central Reserve Bank list exports at $206 million, an increase of 8.5% over 1966, and imports at $224 million, an increase of 1.9%, indicating a 1967 trade deficit of about $18 million.

The balance for 1968 will depend on a number of items, including: The anticipated better coffee crop; continuation of the Government's policy to restrict imports of so-called nonessential items; build up of minor exports such as sugar, rice and shrimp; El Salvador's continued favorable balance within the CACM, and further development of external CACM marketing. Present predictions point to a plus on all counts.

The country's industrial expansion was induced largely by creation of the CACM which found El Salvador better equipped than some of the other members to take advantage of the development. It had a solid infrastructure in transportation and low cost power, a well established financial organization, and a dynamic entrepreneur class possessing some production and management skills.

These competent managerial skills of local businessmen and resident foreign managers have been one of the key factors in the industrial development which has made El Salvador a significant importer of raw materials and capital goods and a growing exporter of manufactured goods.

Import patterns shifting

Due to the increased local manufacture and intra-CACM trade of such items as food, beverages, tobacco, textiles, apparel and textile products, furniture, shoes, fertilizers and agricultural tools, the Salvadoran import market has become less attractive for some finished goods. With the further development of irrigation methods and truck farming, demand will increase for light agricultural machinery such as garden tractors with interchangeable implements, small pumps and hand spraying equipment and for their manufacture within the CACM.

One Salvadoran firm with U.S. capital is planning to assemble and/or produce, in ordered stages, trucks and 4-wheel drive vehicles, tractors, and agricultural machinery such as harvesters and ensilage cutters. Trucks, buses and motor scooters are already being assembled with some parts produced locally. There is a sizable output of light bulbs and fluorescent tubes, and some production of electric refrigerators as well as some assembly of air conditioners and commercial refrigeration.

Other firms are producing glass containers and products, recapped tires and rubber products, cement products such as building blocks and handsome asphalt roofing, and paper bags and cartons. One Salvadoran firm manufacturing printed flexible packaging products is working two 12-hour shifts daily to meet total CACM demands. The Phelps-Dodge plant is working three 8-hour shifts. Both facilities are planning to double their capacity. The Salvadoran textile industry also is expanding its capacity. A U.S. joint venture PVC plant, in the final developmental stage, will be the first such operation in Central America with a total CACM marketing program.

The Salvadoran Planning Council re-

More detail on CACM

U.S. exporters can obtain further information on the Central American Common Market from the following Overseas Business Reports, published by the Bureau of International Commerce:

Trade and Invest in **Central America.** A supplement to International Commerce, 88 pp., July 1965.

Basic Data on the Economy of **Costa Rica.** OBR 67-12. 16 pp. March 1967

Basic Data on the Economy of **Guatemala.** OBR 66-31. 22 pp. May 1966

Basic Data on the Economy of **Honduras.** OBR 65-36. 20 pp. June 1965

Basic Data on the Economy of **Nicaragua.** OBR 65-42. 22 pp. June 1965

Basic Data on the Economy of **El Salvador.** OBR 67-96. 34 pp. Dec. 1967

Foreign Trade Regulations of The **Central American Common Market.** OBR 67-65. 10 pp. Oct. 1967

Write: Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. The reports are 15¢ apiece except for Trade and Investment in Central America, which is 60¢.

cently announced that it will give priority to agriculture, cattle, industry construction, commerce, mining and tourism, in the five-year plan for 1968-72. Public investments in road construction, telecommunications, electricity, and ports are planned as an aid to the development of the private sector; in addition, plans are being made to invest in education, health, social security, housing, agricultural credit and land redistribution.

Heavy reliance is being placed on international financial cooperation in achieving projected investment levels, and the Government recently announced a soon-to-be-signed AID loan to the National Housing Finance Institute for construction of middle class housing.

Major 1968 projects

For 1968, the Government Planning Council has recommended disbursements totaling $53 million for the entire country, the majority to be financed internally with about $10 million to be financed externally. Among major projects for this year are: Construction of municipal markets, public schools, and additional power and port facilities at the port of Acajutla, the latter presently in progress; an increased budget for INSAFI, the Government-owned Industrial Development Bank; and promotion of agricultural activities, public works and road construction.

With existing hotels operating at 100% capacity, the Government's recent announcement of the investment of more than $5.6 million in a tourist promotion and development plan to utilize both private and public resources and to include construction of hotels and other tourist facilities was welcomed by the country. Financing has already been approved for a 120-room hotel and for the addition of 80 rooms to an existing downtown hotel.

Local newspapers have been reporting that the area hopes to attract some of the U.S. tourism flow that may be directed away from European areas. Central America possesses some of the most beautiful natural scenery in the hemisphere and El Salvador's volcanoes, lakes and coastal beaches are second to none in the area. With the recent enactment of the National Tourism Law, which allows tourist facilities the same incentives as other new industrial development, it is hoped that 1968 may mark the year when the potential and inevitable tourist industry finally becomes a reality.

Beside the intra-CACM marketing of industrial manufactures, a Salvadoran textile firm has just announced the export to the Netherlands of 45,000 Salvadoran manufactured towels, destined for sale within the European Common Market.

PREFERENCE FOR U.S. PRODUCTS is reflected in the storefronts along this street in San Salvador. The country's import patterns are shifting from finished goods to equipment for local production.

The sale is the first to the European Economic Community for the company. The towels, manufactured almost entirely with Salvadoran raw materials and labor, met the quality standards of the Dutch laboratories. This small but significant step in Salvadoran industrialization received scores of full-page newspaper congratulatory notices.

In other industrial developments, a Dutch firm has expressed interest in importing Salvadoran artisan handicraft articles; a U.S. firm has solicited information regarding importation of 150 thousand yards of Salvadoran cotton cloth for use in sheet manufacturing; and a Belgian trade mission showed interest in giving technical aid to Salvadoran industry.

Foreign trade missions

Besides the January trade mission from the Miami-Dade County area to El Salvador, in the past several months missions have come from Mexico, Belgium, Italy, Austria and England. Increasing commercial interest in El Salvador was evidenced by the visits of four trade missions during a two-week period in February. One came from the Republic of China; South African representatives expressed interest in a trade promotion office and possible imports of Salvadoran coffee, cotton and manufactured products; a Chilean mission and a group from Argentina are attempting to establish trading relationships in products required in El Salvador in exchange for "non-competitive" Central American products.

Another recent development is the emergence of Mexican interest in Salvadoran industrial development. A recently established bilateral committee of Salvadoran and Mexican businessmen recommended an increased interchange of Mexican and Salvadoran goods, establishment of more joint enterprises utilizing Mexican technical assistance, and improvement of transportation and communication between the countries. Emphasis was placed on Salvadoran exports to Mexico of cement, cardboard, packaging materials, alcohol and textile products, to reduce the existing Salvadoran trade deficit with Mexico.

U.S. exporters must capitalize on El Salvador's industrialization by supplying light and heavy industrial machinery and equipment, technical know-how and marketing techniques. The U.S. Exhibit in the November 1968 Third International Trade Fair of El Salvador will offer U.S. exhibitors an unusual opportunity to do this.

Nicaraguan prospects fairly good despite expectation of poor cotton crop, dip in reserves

Government emphasizes growth of agricultural industries; imports expected to grow, but not at record 1962-65 pace

By JOHN P. CRAWFORD
Commercial Officer
U.S. Embassy, Managua

The Nicaraguan economic growth rate increased during 1967, despite poor harvests due to a second straight year of drought and pests which attacked crops.

CRAWFORD

Exports increased by only 1% over 1966, while imports rose by 8%.

The country's gross international reserves as a consequence declined from $64.9 million held in 1966 to $31.3 million at the close of 1967.

The bright hopes for 1968 are somewhat blighted by increasing evidence of a third straight bad cotton crop, possibly worse than the preceding two years. However, low production will be partially offset by better prices in the world market. Also, the coffee crop is the best in years, and the production of sugar cane is up.

The effects of low cotton production will be cushioned further by expected rising exports of beef, copper, shrimp, and bananas. Exports of manufactured products to the Central American Common Market are also on the rise. The production of corn, rice and beans is increasing steadily and will shortly satisfy domestic requirements.

To maintain the pace of Nicaragua's development, the Government which took office in May 1967 has programmed substantial increases in public investments for 1968, to be financed largely by long-term loans from abroad. Policies of credit restraint will continue to curb the rate of increase in non-essential imports. Bank credit is expected to be channeled to more productive uses in a coordinated effort.

The Government has emphasized its intention to maintain monetary stability and carry on with economic development without recourse to quantitative restrictions on imports or to changes in the free exchange system.

The Government has also pledged to maintain the full convertibility of the cordoba. In February, Nicaragua entered into a one-year stand-by arrangement with the International Monetary Fund (IMF) for $19 million. A one-year U.S. Treasury exchange agreement for $4.75 million complements the IMF standby.

Imports increased by 8% last year, compared with 13% in 1966 and an annual average of 23% from 1962 to 1965. Imports will probably rise during 1968 at about the same rate as last year.

Most categories of imports shared in the expansion during 1967. Imports of capital goods increased markedly and now account for almost 31% of the total. Industrial machinery and electrical equipment rose sharply in 1967.

After rapid expansion, imports of agricultural machinery declined in the last two years, but are expected to increase slightly in 1968. Transportation equipment purchases are still on the rise, and the demand for construction materials remains strong.

Imports of consumer durables, including automobiles, refrigerators and ranges, are still climbing. The demand for consumer non-durables rose sharply in 1966, but only slightly in 1967.

The prospects for U.S. goods in the Nicaraguan market remain excellent. The decline in the U.S. share of the market over the last five years from 50% to 42% is almost entirely due to the expansion of trade within the Central American Common Market.

Although U.S. trade has registered a small relative decline, absolute dollar volume of trade has more than doubled over the last six years. U.S. sales of machinery of all kinds, as well as motors, automobiles, trucks, buses, replacement parts, textile materials, medicines and pharmaceuticals, electronic equipment and chemical products should remain high.

Nicaraguans very often prefer the American product, but growing competition warrants constant vigilance over their Nicaraguan accounts by U.S. exporters. Care should be taken in selecting aggressive local sales agents and representatives. Small firms handling few lines will be able to give greater attention to each. Nicaragua is becoming to a greater extent than ever before a price market. Price advantages and liberal credit terms offered by competitors can cut into areas traditionally held by U.S. exporters. American firms should be prepared to advertise extensively, and to be as generous on credit terms as possible.

Openings for U.S.

The Government of Nicaragua is determined to broaden the number of agricultural export crops, increase the production of food crops, and expand industrial production. The programs designed to accomplish these objectives require substantial investments, and provide American firms with a variety of opportunities to increase their Nicaraguan trade.

An extensive irrigation program will be aimed at increasing the production of vegetables, pineapples, plantains, tomatoes, fruits and other food crops. This program will require pumping station equipment, drilling machinery, conduits, motors and generators.

To augment the production of basic grains and stabilize prices, the Government is investing in 100 grain drying and storage centers throughout the country, calling for the construction of almost 600 silos and dryers.

With an eye on self-sufficiency by 1969-70, the Government plans to irrigate and mechanize the rice industry. More rice combines, drying facilities and milling equipment will be needed. Plans to increase the production of soybeans will call for soybean attachments on combines.

With cotton production down for the third year, there is probably not a good market at present for cotton pickers, but with well over half of the cotton fields still picked by hand, U.S. exporters can anticipate sales in the future. With corn, bean and tobacco acreage increasing steadily, the demand will be strong for tractors, plows, harrows, planters and subsoilers.

Government credit programs in the middle sixties for importing beef-breed-

ing cattle have stimulated a lively interest among cattle ranchers in improving their stock. U.S. breeders of purebred beef cattle can expect to make sales.

A program to industrialize dairy farming will get under way shortly. Purebred dairy cattle are due to be imported and U.S. breeders of Brown Swiss, Guernseys and Holsteins should scout the market. Dairy farm equipment will be needed, such as milking machines, water troughs, sprinklers, sprayers, sickle bars, and cooling equipment.

The Government is also embarking on a project to improve the stock of hogs and increase production of pork for export to the CACM and the Caribbean. Over 30 modern hog farms, primarily for reproduction purposes, will be established and hogs will be imported. Durocs are preferred. The farms will require feeding equipment, water troughs, pre-mixes, well pumps and immersion baths to combat external parasites.

The expansion of the Nicaraguan industrial base goes hand in hand with the agricultural diversification program. The Government is promoting industries based primarily on domestic resources, with emphasis on those supporting the agricultural sector.

A chemical complex producing caustic soda, chlorine, hydrochloric acid and toxaphene insecticides began operations last November. In addition, plans are underway for the installation of a polyvinyl chloride plant, and a polyethylene factory using the polyvinyl as a raw material. By-products of these installations will be used in the manufacture of fertilizers.

Meanwhile, the Nicaraguan market for phosphate fertilizers, insecticides and fungicides remains good.

Naval stores plant

A $420,000 Export-Import Bank loan will help to complete a naval stores plant on the Atlantic Coast through purchases of U.S. equipment, including pipes and fittings, tanks, pumps, generators, motors and trucks.

With the anticipated rise in production of fruits and vegetables, more food processing plants will be established and the necessary machinery and refrigeration equipment imported.

The Government is participating, through the National Development Institute, in the modernization of the textile industry. New industrial sewing machinery is sought, such as cutters and stitchers.

Exports of shrimp and lobster increased by an estimated 16% last year. The Government will provide technical assistance and loans to firms establishing new fish processing plants. Several plants are due to be constructed during the coming year, and shrimp deveining units and freezing and packaging equipment will be imported.

MODERN CONSUMER MARKETING TECHNIQUES are catching on rapidly throughout the CACM area. This shopping center in Managua includes up-to-date supermarket, Bank of America branch office.

Plans have been developed for the rational exploitation of Nicaragua's ample timber resources. Three lumber processing plants will commence operations this year. Saw milling equipment, dry kilns, tumble jacks, and log scudders will be required.

As the operations move into final programmed stages for the manufacture of furniture and other wood products, the demand for woodworking machinery such as lathes, routers and sanders will increase.

These new industries have created a growing market for industrial chemicals. Refrigerants, sterilizers, solvents, compounds for the treatment of textile fabrics and wool will be in increasing demand.

Public works programs offer other opportunities to American exporters. The Government this year will launch a program to develop some 70 rural water supply systems throughout the country. The project entails the construction and installation of intake and pumping facilities, conduits, storage tanks, distribution systems, public taps and home connections.

Road construction has proceeded apace and Nicaragua has the finest road system in Central America. As the main trunk highways are now complete, construction efforts will concentrate on building feeder highways and farm-to-market roads. The Government also plans to improve over 600 miles of existing road. These plans will place heavy demands on road construction equipment and additional machinery will have to be imported.

Planned improvements at the port of Corinto could provide a market for exporters of cargo handling equipment. Studies have been undertaken for the construction of a deep water port on Nicaragua's Atlantic Coast to take advantage of the first east-west highway, the Rama Road, inaugurated in January.

Building construction remains vigorous and the demand for materials will be strong. A new 210-room hotel is under construction and others are under consideration. Hotel suppliers will shortly have an expanded market.

School construction will also increase this year under a Government program financed by the World Bank.

While imports cannot be expected to rise in the next few years at the rapid 1960-65 rate, an increasing level of consumer demand and private and public investment programs, financed to a large extent by capital inflows, will result in a steady expansion in imports.

Competition from Asian and European suppliers in this expanding market is increasing, however, and new local industry and intra-CACM trade are also providing substitutes for imports once sought abroad.

U.S. exporters can therefore expect intensive competition in the years ahead, and the retention of its position as dominant supplier will depend to a large extent upon the ability of U.S. exporters to meet the competition of other suppliers in price, quality, service and credit terms.

Despite tight credit, Guatemala offers sales openings to flexible, aggressive exporters of U.S. goods

Search for new coffee customers could give economy a boost; CACM suppliers, European competition cut into U.S. market share

By JOHN PERKINS
Commercial Attache,
U.S. Embassy, Guatemala City

Guatemalans expect 1968 to bring a moderate comeback which will end the period of economic sluggishness which is now in its second year. However, most experts see a continuation of the unfavorable balance of payments trend.

Tight controls on expenditures for Government projects have further dampened the general business climate. Nevertheless, commercial activity is holding at about the 1967 levels.

On the bright side, exports in 1968 should show a $20-25 million improvement over the disappointing results in 1967. Cotton prices have strengthened and it is probable that new plantings this year will be expanded considerably in response to futures contracts for the 1968-69 crop which are about 10% above 1967-68 prices.

A substantial boost could be given to the economy if Guatemala succeeds in promoting coffee sales to new markets as well as filling export quotas to traditional markets under the International Coffee Agreement. It is reported that to date contracts have been concluded for shipments of some 200,000 60-kilo bags of coffee to new markets. Guatemalan producers, therefore, hope for a minimum carry-over from this year's crop.

Despite the sluggishness of the general economy and the balance of payments problem, imports increased appreciably in 1967, according to preliminary statistics. The outlook for 1968 imports is for at most a moderate drop. However, this picture could change if Guatemalan authorities find it necessary to take restrictive measures due to the overall balance of payments situation.

Continued tight credit for normal commercial activities can be anticipated through the next year. U.S. exporters are likely to find customers reluctant to take on large commitments. They will be more amenable than before to persuasion by price and financing terms.

Thus, U.S. exporters will need to work harder than ever to maintain the U.S. share of Guatemala's import market which fell to about 41% in 1967. Central American producers of consumer goods and light manufactures have a tariff advantage which accounts for their rapid advance to a 16% share, while EEC (17%) and Japanese (8%) suppliers have shown greater aggressiveness of late.

Local merchants report that business activity in 1967 remained at about the same level as 1966. They appear content to maintain this level during 1968. A drop in sales was reported by distributors of transportation and construction equipment, some industrial machinery, and electric household appliances. Retail sales of fine foods, men's clothing, and shoes were off also. Electricity consumption increased by 8%, off from the usual 15% per year rate of increase.

Imports for the first half of 1967 showed a mixed picture. Paper, paperboard, and cardboard, synthetic and plastic materials doubled their performance for the first half of 1966. Petroleum, medicinals, textile machinery, wood pulp, and inorganic chemicals were up, while fungicides and insecticides, cotton textiles, small farm tractors, and agricultural implements were down.

The current economic slowdown does not necessarily lessen the opportunity for long-term foreign investment. Economic activity is expected to revive during the next two or three years if the Government moves forward on planned programs for which it has already obtained substantial foreign loans.

The revival of exports, new incentives to the tourist industry, and strengthened political stability and business confidence, not to mention further progress within the Central American Common Market, could also contribute to long-term improvement.

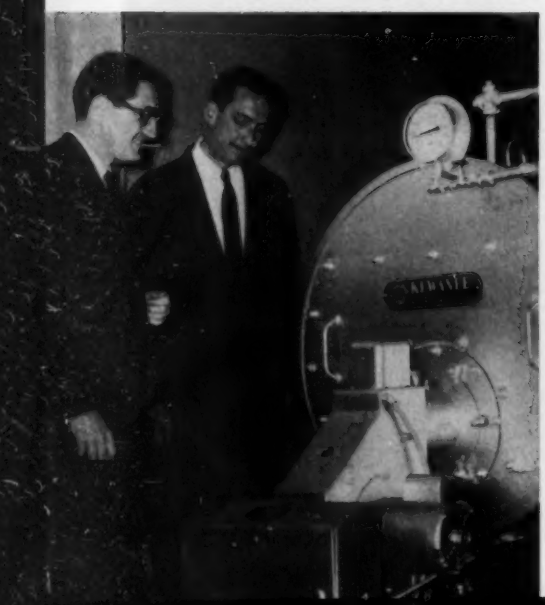
Best new opportunities

The basic plus factor in the Guatemalan outlook is expanding investment in the industrial sector. It is in this area, production equipment and industrial raw materials, where American exporters will find some of their best new opportunities.

The Ministry of Economy reports that in the first 10 months of 1967 some 113 applications for new-industry fiscal incentives were granted to projects which, when carried out, will represent an investment of approximately $21 million. The Ministry has 55 additional industry applications which represent another $20 million of potential investment under review.

Equipment and working capital financing for industry and agriculture should become easier as a new Industrial Bank and an industrial "Financiera" start operations this spring with total subscribed capital of almost $10 million.

The writer had the opportunity to attend the inauguration of the Squibb plant just outside Guatemala City. Also attending was the manager of one of its competitors, Upjohn. He had some interesting things to say—that 11 of the world's leading pharmaceutical firms had started investments in Central America, seven of them in Guatemala (including Miles, Warner-Lambert, Lilly and Abbott).



COMMERCIAL ATTACHE PERKINS (left) inspects an American Standard Kewanee steam generator at the recently opened Squibb Pharmaceutical plant in Guatemala. Plant General Manager Charles P. Lord explains the generator's function.

Their total capital investment so far is $7.2 million.

When the 11 firms are on stream by the end of 1968 (only two were in operation in 1957 and Hoechst is just starting to break ground) their total combined sales within the Common Market will exceed $15 million.

Considering that imported raw materials will total approximately $4 million, there certainly seems to be an opportunity for U.S. exporters in this area. At equal price, U.S. quality closes the sale. Pharmaceutical production equipment such as tablet presses, fillers and packaging machines have in most cases already been acquired from familiar sources in the U.S. Nevertheless, one factory manager thinks that there still are some marketing opportunities for machinery in this industry.

The plastics industry also will benefit. Producers require good blow-molding equipment to make high-quality containers for pharmaceuticals and cosmetics. Good general-purpose injection molding and extrusion equipment is needed also.

Wood is one of Guatemala's greatest natural resources. The Food and Agricultural Organization (FAO) of the United Nations, working with the Agency for the Production and Development of the Peten (FYDEP), is winding up its inventory of timber resources in the Peten and its feasibility studies of lumbering operations there.

While full-scale timber extraction is fairly far in the future and of more immediate interest to large investors and buyers of dimension-cut lumber, there are near-term opportunities for firms selling logging, sawmill and ancillary equipment. American suppliers can establish or strengthen representation arrangements now, in order to be on the ground floor when large orders start to materialize.

Chain-saw maintenance has been a particular problem. Apparently there is a dire need for a stocking distributor who could carry an adequate inventory of spare parts for immediate delivery.

A related type of equipment, portable gasoline-powered chain saws and brush cutters, will be in demand for secondary road projects and land clearing operations for area colonization projects.

The textile industry is very important in Guatemala. Feeling the winds of CACM competition, it should update its production plants. Textile finishing equipment and light industrial cutting and sewing machines are needed and actively sought.

Meat is a strong export item. Although slaughterhouses are not now in the market for major items, interest is being shown in sausage machines, equipment for curing pork products, and meat deboners.

CONSTRUCTION IS PICKING UP in Guatemala, aided by several projects supported by international loans. This port expansion work at Matias de Galvez was financed by an Eximbank loan.

Domestic food processing and packaging has expanded considerably; good equipment is needed across the board. There appears to be particularly good demand for vacuum-packing equipment; sorting and packaging equipment for mangos, papayas and fresh vegetables which are just going on the export market; and candy-making and bakery equipment.

The metalworking and woodworking industries could use better hand and power tools, jigs and fixtures. Multi-purpose lathes and grinders as well as small punch presses should sell well. Metal-shaping machines, light-duty spot welders, bonderizing and spray-painting equipment, and set-up jigs for metalworking and construction purposes could upgrade Guatemalan production.

Important point

The point to remember is: quote on less expensive, flexible machinery suited for low production runs and quick changeover. In many cases, producers here do not need more efficiency but a higher-quality, better-looking, standardized product.

Another characteristic of the Guatemalan industrial scene is that a local entrepreneur often does not recognize a profit opportunity until he sees a machine actually in operation. When he can see wire going in one end and bolts and screws coming out the other, he is already half-sold.

In industry-related minerals activity, International Nickel continues preliminary construction at extraction and processing sites. Significant export production is expected by 1972 when total investment will have reached $130 million. After years of little activity, some five petroleum exploration concessions have been granted and technicians are out in the field.

Agricultural machinery sales were down in 1967; however, equipment for cotton-growing should sell very well in 1968. The U.S. is a strong supplier of sugar mill chemicals and should be able to retain that position. Machinery for corn (combines, stalk choppers, small corn grinders) has a good long-term potential but for the present represents only a limited market. Auxiliary electric generator sets are selling well, as are air compressors.

If the political outlook improves, machinery and chemical sales generally will strengthen, according to the manager of an old-line U.S. farm equipment firm.

The manager of INFOP, the semi-autonomous Institute for Production Development, stated recently that he would have to upgrade his grain storage capacity. The projected enlargement involves 35,000 metric tons of storage capacity costing over $4 million.

Fueled by new loans, road-building activity will continue strong this year. Several local and American visitors to the Commercial Section enthusiastically described the outlook and their plans to be ready for the demand, not only for machinery and basic materials but also

accessory items such as sheet-metal culverts.

The Feb. 26 issue of INTERNATIONAL COMMERCE described requests for bids on some sub-stations and transmission lines for the large Jurun-Marinala power project financed by the World Bank and constructed by the Government's National Electrification Institute (INDE). Other projects currently underway include expansion of the Matias de Galvez port funded by the Eximbank, new municipal water systems, and rural/agricultural development. Construction generally is showing signs of picking up.

All shipments of goods granted import duty exonerations under the Industrial Incentive Law must be carried by the national shipping line, Flomerca or the national airline, Aviateca if these carriers provide service from the port of exit in the U.S., and must enter through one of the two state ports, Matias de Galvez or Champerico.

Importers have run afoul of this requirement and import duties have had to be paid. It would be well to follow the consignee's shipping directions explicitly.

Some traders in the U.S. have complained to the author about delays in payment of their sight drafts. These delays are usually caused by slow inland transport and lengthy customs processing. Sometimes, too, the importer leaves the goods in customs until he raises the cash or has found a buyer.

Not all delays are on the Guatemalan side. Several important importers here have complained that American firms have not been prompt in issuing proforma invoices. These are needed as evidence of purchase before the Central Bank will approve dollar exchange for the letter of credit or for the cash payment which American exporters all too frequently request.

In one case, a substantial Guatemalan business firm had to turn away customers' orders because of resulting delays.

Delays in answering correspondence convey to local businessmen the impression that the U.S. exporter is not interested in dealing with a small country like Guatemala. Initial trial orders for small quantities of raw materials should be accepted in order to gain a foothold.

Regarding credit, an old-time importer/exporter had this to say: "If you don't give credit, you can't sell. If you give too much, you can't collect. You might as well get accustomed to slow payment in Guatemala; that's the way it it." In light of this, U.S. exporters may want to work more closely with their banks and avail themselves of the services offered by FCIA.

CENTRAL AMERICA REPORT

Honduras starts economic upswing as public, private activity expands

U.S. sales are expected to increase, but severe competition will lessen chance of maintaining current share of market

By ANTHONY WINKLER-PRINS
Commercial Attache,
U.S. Embassy, Tegucigalpa

Honduras appears to have recovered from last year's slowdown in business, as an increase in public and private activity has begun to take place. All indications point to an expansion of the country's economy for some time to come.

For Honduras, the year 1968 is expected to be a year of decision making. The Government has a well thought-out public spending program and a five year plan of action which is being updated to improve agriculture, industry, transportation, and foreign trade. If carried out, the plan will create employment, put more money into circulation, and act as a catalyst to improve business in general.

Demand for consumer products is expected to rise, and local manufacture will be encouraged. As imports have been growing faster than exports, the Government is emphasizing the importance of producing import substitutes and exportable items in an effort to reduce the existing unfavorable trade balance, particularly with other Central American countries.

Imports from the United States will continue to grow, but the increasingly severe competition from Central America, Europe, and Japan will make it difficult to maintain the current 48% U.S. share of total imports.

Agriculture gets priority

Agriculture, which will continue to occupy by far the most important role in the economy, is receiving priority government attention. A land reform program, under which many families will be resettled in good agricultural areas, is taking effect. An Agricultural Science Faculty is being established in La Ceiba on land donated by the Standard Fruit Co. Graduates of this educational program will contribute greatly to the agricultural economy by supplying talent and technical knowledge. Two new and modern seed processing plants in Tegucigalpa and San Pedro Sula will assure greater yields for those who use the improved corn, beans, and sorghum seeds.

Banana exports, which in 1967 were off 6% from 1966, are expected to return to 1966 levels. Coffee, the second largest export item, is making a strong comeback. Lumber exports are up. An increase in production of sugar cane and tobacco is expected. For the first time pineapples are grown commercially in the north and melons in the south.

To improve distribution of grains, the government is planning to install a grain storage system consisting of silos to be constructed in Tegucigalpa and San Pedro Sula with a total storage capacity of 25,000 metric tons. The engineering firm of Aica-Sacmag of San José, Costa Rica, is preparing the study for this project which is expected to cost more than $3 million.

As a result, demand for cultivating, tillage, clearing, and irrigation equip-

Watch the holidays!!

It always pays to check local holidays—government offices, banks, and businesses may be closed! Celebration of holidays, especially religious ones, varies not only from country to country, but even from city to city within countries. The following are some of the holidays in Central America. Those marked with an asterisk are observed in all five countries; the others are observed in one or more.

Jan. 1* and 6; Mar. 19; Holy Week* (from three to six days); Apr. 14; May 1*, 10, and 27; Corpus Christi; June 30 and 31; Aug. 2, 5-10, and 15; Sept. 14 and 15*; Oct. 3, 12*, 20, and 21; Nov. 1, 2, and 5; Dec. 8, 12, 24, 25*, and 30 or 31.

ment, agricultural tools, and tractors is expected to increase. Fertilizers and insecticides also will be in greater use.

The mining industry for years has occupied an important position in the economy and will continue to do so.

The New York and Honduras Rosario Mining Co., by far the largest producer in Honduras of lead, silver, gold, and zinc, is expanding its facilities. Compañía Minera Los Angeles, S.A. is developing two properties with the probability that one will become a gold and silver producing mine in the near future. The Moramulca gold and silver mine of the John F. Haynes Co. recently has gone into production.

The Lummus Co. of New York is building a $13 million petroleum refinery in Puerto Cortés for Texaco Inc., which is expected to go on stream in May of this year with a capacity of 10,300 barrels a day. Six U.S. oil companies have obtained concessions giving them the right to explore for oil and some of these explorations are already under way.

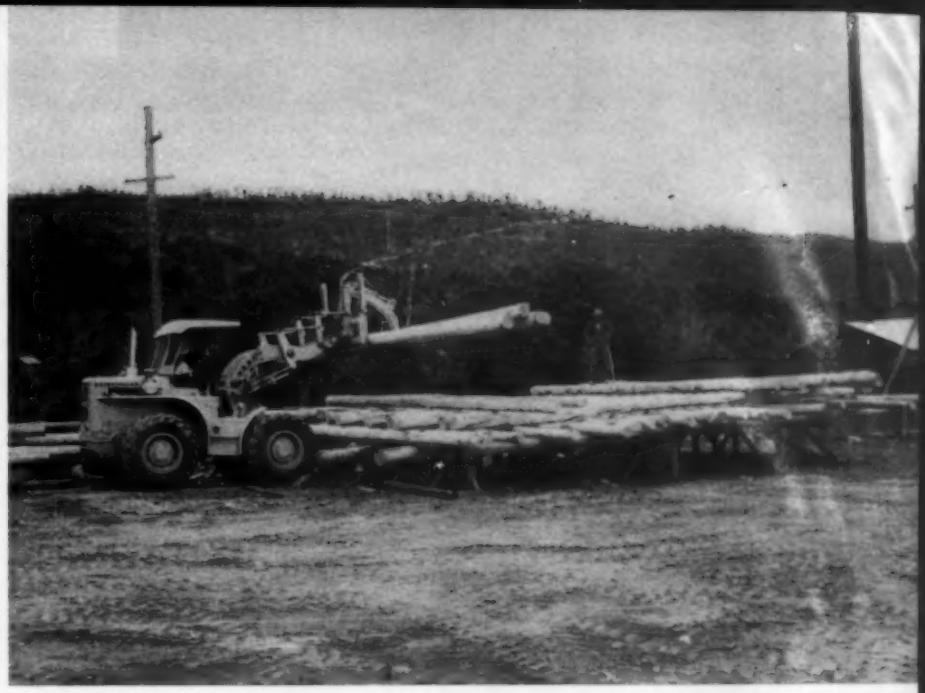
A deposit of some ten million tons of good grade iron ore is reported to exist in the Agalteca area about 40 miles northwest of Tegucigalpa, and extensive studies have been made by the Banco Central de Honduras, together with Altos Hornos de Mexico, S.A., to determine the feasibility of establishing a steel mill. A recent report submitted by Ramseyer & Miller, Inc. of New York indicates that conditions are favorable for a mill having a capacity of 100,000 tons of finished steel per year. This will represent a total investment of some $32 million.

Industrial investment expands

Despite the fact that money is tight, Honduras is expanding its industries and developing new ones. Several of these are closely related to agriculture and forestry.

The North Coast shows particular activity along this line. A new sugar mill, located in Bufalo near San Pedro Sula and owned by Compania Azucarera Hondurena, started grinding in February of this year. Choloma Industrial, S.A. has built in the outskirts of San Pedro Sula a plant to can pineapples, orange and grapefruit juices and concentrates.

Compania Normar de Honduras, a United Fruit subsidiary, is building an edible-oil mill in Bufalo which will go into production by the end of this year processing African palm oil produced by another subsidiary in the same area. A firm called Envases Industriales Hondurenas, controlled by the Standard Fruit Co. and Cerveceria Hondurena, has a container factory under construction in San Pedro Sula.



EXPANSION OF FOREST INDUSTRIES gets top priority in Honduras, and the largest proposed development project is a pulp and paper mill. Here, U.S.-made machine loads newly-cut telephone poles.

A new meatpacking plant with a capacity of five tons of finished products per hour is being built by Empacadora Cortes, S.A. A good sized furniture factory is under construction.

In the southern part of Honduras in San Lorenzo, a $2.5 million cotton seed processing plant being built by Compania Industria Aceitera Hondurena S.A. will soon go into operation, consuming the entire Honduran cotton seed production and displacing imports of edible oils and fats.

A poultry and animal feed mill will be built in the same area by Alimentos Concentrados Nacionales, S.A. Construction of a glass factory in the San Lorenzo area as an integrated industry will come up for consideration next year.

By far the largest development project under consideration is a pulp and paper mill which, together with the necessary road and port improvements, is expected to represent a $92 million investment. Present plans call for a yearly production of 235,000 tons of liner board paper and 120,000 cubic meters of sawn lumber, besides such by-products as turpentine and tall oil. The Honduran Government is presently in discussion with the International Paper Co. of New York in the hope of establishing a pilot company with mixed foreign and domestic capital as an initial step in arriving at a suitable working agreement.

Honduras has an infrastructure program which, as it is implemented, will greatly accelerate the economic development of the country. Road construction will stimulate undeveloped zones and provide adequate means of transportation to commercial and industrial centers.

Construction of the last three stretches of the Northern Highway between San Pedro Sula and Tegucigalpa has begun, with the help of World Bank and Inter-American Development Bank financing. When completed in 1970, the two cities will be connected by a modern, paved highway allowing a reduction of travel time between the two cities from the present eight or ten hours to four or five.

Brown & Root S.A. soon will finish the engineering for paving the new Western Highway connecting San Pedro Sula with the Guatemala and El Salvador borders, and construction bids will be invited later this year.

A littoral road system along the north coast will connect San Pedro Sula with Tela and La Ceiba, and eventually with Puerto Castilla. Roads are being planned to connect Juticalpa with Puerto Castilla, La Ceiba with Olanchito, Puerto Cortes with the Guatemala border, and Choluteca with the Nicaragua border. Studies for farm-to-market and penetration roads are under way.

An extensive sea and air port construction program has also started. The port of Puerto Cortes, the largest Caribbean port in Central America, is being extended and modernized under a World Bank financed $4.5 million contract with

COMMERCIAL ATTACHE WINKLER-PRINS and a secretary attached to the U.S. Embassy test a magnetic tape copying machine that was recently displayed in the offices of the U.S. Information Services in Tegucigalpa.

Raymond International Co. of New York. Its completion in two years will double the port facilities. Port maintenance equipment and cargo handling facilities such as mobile cranes and fork lift trucks will be purchased by the National Port Authority.

A feasibility study is being prepared by McCreary-Koretsky Engineers of San Francisco to determine the best location for a port on the Gulf of Fonseca on the Pacific coast, and the same firm is making a study to decide on the best type, size, and location for a modern jet airport for Tegucigalpa.

A feasibility study financed by the Central American Bank for Economic Integration (CABEI) for a proposed Choluteca river irrigation project has been prepared by International Engineering Co., Inc. of San Francisco.

Need road equipment

As a result of these activities, there will be a considerable need for road construction and maintenance equipment such as tractors, bulldozers, shovels, graders, diesel engines, pumps, and compressors. There will also be an increasing demand for automotive vehicles, as well as automotive maintenance and servicing equipment and accessories. Honduras imports over 4,000 new automotive vehicles per year, of which about one-half come from the United States.

Considerable building construction is being planned.

In Tegucigalpa three additions to the new University building are being built and more are planned. A new Social Security hospital is under construction and two private hospitals will be built this year. A modern 120-room hotel is planned by Hoteles de Honduras, S.A.

In San Pedro Sula, a 150-room O'Connor Jacobson hotel is about to be finished. A Social Security Hospital will be built in 1969 and several office buildings are being planned.

Low-cost housing

Several low cost housing developments are under way in Tegucigalpa and San Pedro Sula. The National Housing Institute (INVA) plans to build 2,500 new units and the National Agrarian Institute has plans for some 5,000 low cost houses in the interior. With the help of a $7 million AID loan, 12 secondary schools will be built in various locations of the country, at an estimated cost of $10.5 million, for which the engineering will be completed this year.

According to a recent survey, there are at least 50 branches, subsidiaries, and affiliates of U.S. firms in Honduras; about half are in Tegucigalpa, and the others in San Pedro Sula, La Ceiba, La Lima, and Puerto Castilla.

The largest investment is in the banana industry by the Tela Railroad Co. (subsidiary of United Fruit Co.) and the Standard Fruit Co. (subsidiary of Castle & Cooke). Other U.S. investments are in mining, manufacturing, banking, and marketing. It has been estimated that U.S. firms have $130 million worth of direct investments in Honduras. The country is ready to accept considerably more.

Stimulates regional growth

CABEI, headquartered in Tegucigalpa, is the institution organized to stimulate industrial and economic development throughout the area. Its Industrial Investment Department is constantly investigating new industries and other business ventures. The National Development Bank (Banco Nacional de Fomento) has an industrial development department operating in a similar manner to promote industries in Honduras.

At present, tourism is in its infancy and little has been done so far to promote travel to Honduras. Great possibilities exist, however, particularly in the North Coast of Honduras and the Bay Islands (Guanaja, Roatan, and Utila) in the Caribbean Sea. These are potential areas for fishing, swimming, boating, and other sports.

There are no restrictions against foreign capital investment nor against transfer of foreign exchange. Honduras has a favorable Industrial Development Law, and a good supply of low-cost labor. U.S. investors may be protected by AID guarantees.

Total trade doubles

Total Honduran foreign trade has more than doubled since 1962, while at the same time the Central American Common Market has caused a change in its pattern. Since 1962, trade with Central America has more than tripled, with the result that two-thirds of all Honduran foreign trade is now with the United States and Central America, leaving only one-third for the rest of the world. Imports for 1967 increased by 16% over 1966, to a total of $174 million, of which nearly half originated in the United States.

The future of Honduras will be strongly influenced by its political condition, but assuming that the present stability is maintained, a steady development of its resources and a satisfactory improvement in its economy may be expected.

Markets pinpointed

The Commerce Department's recently introduced automated trade list service can provide U.S. exporters with instant data on trade prospects throughout the Central American Common Market. The Department's computer has assembled lists of firms dealing in specific commodities of interest to U.S. traders.

The lists contain the name and address of the company, name and title of the officer to contact, type of operation (manufacturing, processing or other) form of corporate organization, year established, relative size, number of employees, whether the firm has U.S. representation, languages of correspondence, and the date the information was obtained for the World Trade Directory report.

Lists are $1 each and may be ordered from any Department of Commerce Field Office, or from the Bureau of International Commerce, Commercial Intelligence Division, Dept. of Commerce, Washington, D.C. 20230. Lists are available only to firms domiciled in the United States.

AID LOANS HAVE HELPED build many projects throughout Central America. Above, the terminal at Managua's airport, which received a loan from the Agency for International Development.

CENTRAL AMERICA REPORT

U.S. AID office assists regional economic integration movement

Regional unit's actions range across whole development spectrum in efforts to spur cooperation among CACM member countries

By GARY E. GRUNDER

Development Officer for Guatemala/ROCAP Affairs, U.S. AID

A $20 million loan was provided recently by the U.S. Agency for International Development (AID) to the Fund for Economic Integration of the Central American Bank for Economic Integration (CABEI).

GRUNDER

The loan is the latest in a series made to CABEI to promote programs of physical infrastructure and industrial development on a regional basis.

In signing the loan, Assistant Secretary of State for Inter-American Affairs Covey T. Oliver said:

"The Central American republics are providing all their neighbors and all the world . . . a stirring example of what can be accomplished by free men with vision, and with wisdom, and with courage."

Oliver continued: "Governments must do more to take the Alliance to the people, by means of greater investment in education and health, urban and rural development, credits, and essential infrastructure.

"Tax revenues must be increased by ten or more percent a year through equitable, better administered tax systems;

". . . growing economies require an increasingly greater number of educated men and women, qualified to meet the demands of the complexities of modern society;

"Private investment, both national and foreign, must be attracted and encouraged;

"Joint action must be encouraged to solve balance-of-payments problems that may arise in any of the member countries;

"Arrangements must be made to permit the free movement of Central American manpower and capital within the region."

Work with CABEI and other Central American regional organizations in infrastructure development is only one phase of the activities of AID's Regional Office for Central America and Panama (ROCAP). With headquarters in Guatemala City, ROCAP encourages economic and social cooperation among the member countries of the CACM as a means of hastening the development of Central America. To accomplish this, ROCAP is working with the regional instrumentalities of the Common Market on development of the area's infrastructure, its industry, and its agriculture.

The Central American Common Market, composed of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, is near its goal of achieving true common market status through the virtual elimination of barriers to trade for goods of Central American origin and the substantial establishment of a common external tariff.

Nearly free trade has helped stimulate the rapid expansion of intra-zonal trade from $34 million in 1960 to more than $176 million in 1966 and to over an estimated $200 million in 1967, an increase of more than 500%. A common external tariff has been established for 87% of the tariff classifications and another 8% of the classifications are scheduled for equalization by Apr. 21, 1969.

Integration not a new idea

The movement toward regional integration has historical antecedents in the region's Spanish past; in fact, after the region gained independence in the early 19th century, several attempts at political unification were made unsuccessfully.

A significant step toward integration in recent years has been the Declaration of Central America, issued in 1963 by President John F. Kennedy and the Presidents of the six Isthmian countries. The declaration pointed out that "the best hope for the development of the region is through economic integration" and pledged "the creation of a Central American Economic Community . . ."

Operations of the Central American Common Market draw their legal authority from a series of treaties, principally the General Treaty of Central American Economic Integration. This treaty went into effect for El Salvador, Guatemala and Nicaragua on June 4, 1961, for Honduras on Apr. 27, 1962 and for Costa Rica, Sept. 23, 1963.

The General Treaty provided for free

trade in all products of Central American origin on which reservations were not specifically made. Thus, items remaining subject to duties or other restrictions were the exceptions, rather than the rule. By June 1966, more than 93% of all items in the Central American tariff schedule were exempt from duties or other trade restrictions. These items accounted for over 95% of the region's commerce in terms of value of the 1964 trade. The most important product group on which trade is still restricted is petroleum products.

These various treaties and agreements were designed to set up an enduring structure, for they generally have lives of 20 years, automatically renewable. The General Treaty and the Charter of the Central American Bank will each continue indefinitely for all parties after the expiration of the 20 years, until one party has denounced it, with five years' notice. It will continue in force for the remaining parties as long as two of them adhere to it.

ROCAP's activities in Central America, conducted in conjunction with the several regional organizations, range across the development spectrum and include work in education, public health, family planning, agricultural research, investment promotion, transportation and infrastructure development. Efforts are being made to develop a regional system of physical infrastructure, common customs and tariff rules and procedures, a uniform industrial fiscal incentive system, and uniform social security and labor legislation. Also, a region-wide effort to increase industrialization and promote agricultural diversification is under way.

In summary, efforts are directed toward an enlarged market better able to compete in world markets and better able to provide for the inhabitants of the region.

ROCAP's organization is similar to the other AID missions in Central America. It is, however, accredited diplomatically to the Organization of Central American States (ODECA) and works only with and through the regional organizations. Any activities it might carry on with a national government would be through the AID mission accredited to that country.

SIECA—Permanent Secretariat

A discussion of the major Central American regional institutions is perhaps the best way to illustrate ROCAP activities in Central America. The Permanent Secretariat of the Common Market, SIECA, is the principal staff secretariat for determination of regional economic policy. Led by Secretary-General Carlos M. Castillo, SIECA has the following divisions: Administrative and Statistics, Common Market and Commercial Policy, and Development Planning.

The Statistics Division compiles and publishes regional statistical compendia and foreign trade yearbooks. One of the outstanding difficulties faced by businessmen and government officials and planners is the lack of adequate statistics on trade, government finances, and market information. SIECA is striving to provide these adequate statistics on both a regional and a national basis for each country.

Activities in tariff and trade, capital formation, fiscal incentives, priorities for industrial financing, revision of Central American transportation plans, and regional communications and electrification projects are the responsibility of the Common Market and Commercial Policy Division. These activities are especially significant as Central America searches for means to expand its income and its exports. The Development Planning Division devotes its attention to strengthening and coordinating national development programs and to issues of industrial complementation and industrial location.

Another significant integration organization is the Central American Bank for Economic Integration, headquartered in Tegucigalpa, Honduras, with resources of more than $200 million. Established in late 1960, the purpose of CABEI is to "promote economic integration and balanced economic development of the member countries" by meeting the investment needs for projects of a regional nature in infrastructure, industry and agriculture.

The Bank is controlled by a ten-man Board of Governors, which meets once a year and is composed of the Minister of Economy and the President of the Central Bank for each country. The Bank's daily operations are controlled by its five-man Board of Directors which is composed of one director from each country appointed by that country's two Governors. The Directors are full-time personnel with offices in the Bank. The Bank presently has a staff of about 150 people, led by a Nicaraguan, Dr. Gustavo Guerrero.

A large part of the capital of the Bank is in the Fund for Economic Integration, established to finance infrastructure projects on a regional basis. Inputs to the Integration Fund have been made by the U.S. Government, the Inter-American Development Bank, and the Central American Governments. The latter have contributed to the Fund on an equal basis, but decisions regarding fund allocations are made on the basis of national needs.

The Fund has identified over fifty projects of infrastructure development having a total cost of $204 million which it anticipates will require financing during the 1967 to 1969 period. The allocation according to need can be seen in the division of these projects by country. A total of $60.3 million in projects, almost 30% of the total, are to be constructed in Honduras which has contributed 20% of the Central American quota. This kind of planning and agreement has allowed

ROAD CONSTRUCTION EQUIPMENT IS NEEDED throughout Central America, and many Government-sponsored development projects offer good chances for U.S. Below, a road is widened in Costa Rica.

the Central Americans to make dramatic progress since 1963.

The Integration Fund is not, however, the only activity of the Central American Bank. A second significant operation is that of industrial relending. Begun by an AID loan of $5 million in 1961 and continued by a second AID loan and one from the Inter-American Development Bank, the program is designed to provide funds at reasonable interest rates for private industrial development activities which will serve the entire Central American common market area.

Through Aug. 30, 1967, CABEI had made 111 subloans to industrial firms totaling almost $50 million. More than 25% of this total was invested in textile manufacturing operations and almost 10% was in chemicals and chemical products.

New export promotion program

CABEI and SIECA have cooperated and coordinated efforts at promoting uniform fiscal and monetary policies for the region; in the past several months the two organizations have been outlining and studying a Joint Export Promotion Program. This program established at the policy level by the Ministers of Economy and of Finance is designed to undertake studies and to provide technical assistance in promoting Central American exports to third countries.

The program will concentrate particularly on new products, assisting and advising both private and public institutions including the National Commissions of Foreign Commerce. Close coordination with the Inter-American Center for Export Promotion in Bogota, Colombia and the GATT-UNCTAD Center for International Commerce is intended.

This activity is closely related to the export promotion and market study program of CABEI's Industrial Development Division (IDD) which has been assisted by ROCAP in identifying and evaluating new industrial investment opportunities in the area by preparing industrial, agro-industrial and tourism investment opportunity reports; in promoting new enterprises of regional interest; in acting as a liaison agent between Central American and foreign investors who wish to participate in joint venture projects; in assisting potential investors interested in Central American opportunities to obtain the services and facilities available in the area; and in providing basic, economic, commercial, legal and financial information to potential investors.

Another organization with which ROCAP maintains a working relationship is the Central American Institute for Industrial Research and Technology (ICAITI). Acting as a consulting body for private industry in the region on technical and production problems, it also has made technical studies on the utilization of the area's raw materials. ICAITI has been a pioneer in Latin America in exploring the possibilities of gamma radiation for food preservation.

The Central American Institute of Business Administration (INCAE), a graduate school of business, has recently opened its doors to its first full time class of 43 students. Designed to improve and increase the business skills of Central Americans, the Institute to date has been active in providing short term seminars for businessmen. With this group of "alumni," INCAE is now engaged in a precedent shattering activity for Central America—raising an endowment fund through private means.

North Americans accept fund raising by "the old school" willingly or grudgingly, as school spirit dictates, but this is a first in Central America. Assisted by a ROCAP financed contract with the Harvard Business School, INCAE's campus is being built on a donated piece of land overlooking Managua, Nicaragua.

Funds for the building program were made available by a loan from CABEI—another example of the spirit of regionalism that pervades the Central American isthmus.

In addition to its work with SIECA and CABEI described above, ROCAP is actively collaborating with several other regional organizations in providing more and better services, education facilities and equipment, and labor training. A brief summary of these activities follows:

In education, ROCAP is cooperating with ODECA and the Ministries of Education (Panama included) in an eight-year textbook program whereby every child in every elementary public school in the six countries will receive textbooks free of charge. In six years, almost 11 million books have been printed.

In university education, ROCAP is cooperating with the Superior Council of Central America Universities (CSUCA) in its development of an integrated system of national universities and also of the basic general studies program in the sciences and humanities, which has been adopted by the universities. A regional system of professional graduate schools in veterinary medicine and sanitary engineering has been established.

In the area of labor, ROCAP has assisted ODECA's regional Manpower and Labor Affairs office which seeks to improve use of region's manpower, upgrade skills, establish fair and uniform labor and social security legislation.

New book studies CACM's impact on members' taxes

Timely and valuable as a reference, *Taxes and Tax Harmonization in Central America* by Virginia G. Watkin offers the first comprehensive analysis of the effect of Central America's economic integration and development program on the tax systems of its members—Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica. Using a legal rather than an economic approach to the tax systems, the author discusses the tax laws governing customs duties, transaction taxes, property taxes, income taxes, and others, country-by-country.

The first portion of the book gives a chronology of the 25 multilateral agreements that govern the Central American economic integration program. The study then assesses the extent to which the five Central American countries have fulfilled the tax harmonization requirements of the economic integration agreements, pointing to import duties and special excises as the two most urgent tax harmonization problems. A list of products excluded from intraregional free trade as well as other obstacles to the establishment of a Central American Customs Union are mentioned.

Country chapters follow, arranged according to a uniform outline which helps the reader in comparing application of a particular tax, such as customs duties, internal taxes or income taxes. Much attention is given to special excise taxes on goods subject to trade, since their application affects the growth of intraregional free trade and the effectiveness of the uniform Central American import tariff. The author discusses whether these taxes comply with the provisions of the regional economic integration agreements. These agreements prohibit the Central American countries from using internal taxes as disguised import duties.

The bulk of each country chapter is devoted to the income tax system.

The bibliography contains primary and secondary sources such as texts of treaties and tax laws. The book should be of interest to businessmen interested in Central America. The price is $8.50.

Write: International Tax Program, Harvard Law School, Cambridge, Mass. 02138.

PRODUCTS FROM AROUND THE WORLD, as well as those of Central America's industries, will be on display at San Salvador's Fairgrounds this November.

CENTRAL AMERICA REPORT

Strong market research effort pinpoints U.S. products buyers want most at El Salvador Fair

Executive interviews at U.S. Embassies throughout the area help identify best sales prospects in region for U.S. exporters

By RICHARD F. MUENZER

Commercial Attache,
U.S. Embassy, San Salvador

At least twenty nations are expected to mount exhibits at the third International Fair in San Salvador this November. In the few years since the first show, this fair has become exactly what it was intended to be: a stage where Central America can show the products of her vigorous new industries to buyers from all over the world, and conversely, an ideal means for overseas manufacturers to introduce their products to the Central American market.

Thus from Nov. 9-30, not only an array of the products of the ever-increasing new industries of Central America will be exhibited but also those of many of the world's leading manufacturing nations.

U.S. firms that participate in the Department of Commerce-sponsored exhibition in the Third International Fair will benefit from a broad market campaign designed to match their promotional objectives with the interests of key persons in the total CACM market. Potential buyers and agents will be identified for the products which are exhibited. The exhibition will feature special hours for businessmen and trade visitors will be registered.

In order to determine just what machinery and equipment should be shown in the U.S. Pavilion in November, the Commercial Attache of the U.S. Embassy in San Salvador, with the assistance of the Commercial Attaches assigned to the other CACM countries, conducted over 80 interviews with executives in the five countries, personally visiting agents, distributors, manufacturing plants and Government investment promotion organizations.

Executive interviews were held with representatives of agricultural farm machinery and equipment, the management of food processing and packaging plants, lumber and furniture manufacturers, plastic manufacturers, hand and power tool dealers, firms using machine tools and metal working equipment, butcher shop and slaughterhouses, candy companies, hotels and restaurants, and pharmaceutical and cosmetics factories. The research project discovered particular interest in the following list of U.S. products.

Agricultural machinery and equipment, including some heavy equipment, but also lighter items with interchangeable implements; animal husbandry equipment for the developing poultry and pig-raising industries; inexpensive hand-operated hammer mills, to make feed; land clearing equipment, especially in Honduras and Nicaragua where virgin land is being converted into agriculture. Irrigation equipment, pumps, generators and systems are being introduced in the area, as are grain dryers, silage and storage facilities, small cultivators, hand tractors,

pelletizers, choppers and deep tillage equipment.

Recent market research indicates that there is a strong demand for the following types of agricultural, animal husbandry and poultry equipment: sprayers, combines, mulchers, subsoilers, tractors, loading wagons, garden tractors, irrigation and waterwell pumps, feed mills, dairy parlors, poultry houses, thinners, harrowers, cultivators, graders, shredders, conveyors, dryers, mixers-blenders, power generators and automatic poultry feeders.

Food processing and packaging equipment is required both by firms presently doing some processing and canning and by those who are considering this industry for the diversified agricultural products that these countries are developing. Such products as soybeans, peanuts, sesame, rice, corn, pineapple, papaya, poultry, meats, fish and shrimp, are all being developed in Central America, in an effort to diversify from the standard coffee, cotton, sugar and banana crops. Interviews revealed a desire for food processing and packaging machinery for quick freezing, refrigerated warehousing and trucks, canning and bottling equipment, milk-cartoning equipment, and especially transparent-wrapping, packaging and labeling equipment. Small bakeries also have a definite need for such equipment as mixers, bread slicers, and small and medium-sized electric ovens.

Butcher shop equipment is also included in this product area. Most areas visited have one or two large slaughterhouses and the meats are generally distributed and sold by 'carnicerias' (small meat markets), but with very little preparation or packaging. A recently opened American style meat market in San Salvador, featuring the newest equipment for the preparation and cutting of meats in the standard U.S. cuts, is doing a land office business. In addition, all types of back room equipment, meat grinding and slicing equipment, patty and sausage making machines, meat saws and tenderizers, and general display and refrigerated storage equipment is in demand.

Food processing and pharmaceutical and cosmetic manufacturers indicated a special need for freeze dryers, slicers, grinders, steam kettles, blenders, sifters, smoke houses, food portioners, labelers, fillers, sealers, candy wrapping equipment, choppers, peelers, mixers, pulpers, filters, automatic and bulk scales, meat molders, tanks, grinders, cutters, screw injection molders, wet vacuum packers, bakery slicers and wrap sealers, ice cream packagers, cheese and butter wrappers, and strip packagers.

Forest Products Equipment—All of the CACM countries except El Salvador possess vast forest reserves. El Salvador is a major lumber importer and manufacturer of wood products. Therefore the wood-growing area requires some machinery for the forestry and woodworking industries such as saw-milling equipment, dry kilns, planers, portable saw mills to allow the lumber to be cut on the site during the six-month rainy season, posthole diggers, timber moving equipment, multi-purpose log scudders with scoop, wood chip making and converting machinery to make wall and insulated board with resins.

Salvadoran furniture manufacturing firms require such equipment as hand and power tools, multiple shapers and carvers, dove-tailing machines, copying lathes, routers, sanders and wood turning equipment plus some metal bending, cutting and shaping equipment required by the existing manufacturers of combination wood and metal furniture. New equipment should be of a higher volume output than the equipment presently in use but should also allow for even higher future output.

Although much of the work is done manually or with powered hand tools, furniture manufacturers require and want more advanced industrial equipment.

One Salvadoran furniture manufacturing firm is presently exhibiting in the U.S., a fine line of 'new' Spanish colonial antiques, the orders for which are being filled through cargo jet service out of San Salvador's Ilopango International Airport.

Light metal-working and metal-forming machinery is in demand for Salvadoran light and medium shops. There is a growing production of metal manufactures, which already include furniture, nails, bolts, wire, stoves and ovens, machine parts and accessories, gray iron castings, ornamental iron work, window frames, jalousies, venetian blinds, iron and steel pipe, and forged pipe, among many other products.

Recently, San Salvador newspapers carried an announcement that a Salvadoran manufacturer of street lamps had sold a large order to the U.S., and that this handsome Salvadoran product soon would be lighting shopping center areas of several Eastern U.S. cities.

Considering the extraordinary expansion of Salvadoran industry with its emphasis on future intra-regional marketing and international export, some heavy and especially light metal-working and forming machinery is in demand in El Salvador and in the CACM in general. Items of major interest, as indicated by market research are: cut-off and rip saws, jointers-planers, multi-head drills, presses, shapers, edgers, band and circular saws, lathes, pipe and metal benders and portable welders.

U.S. firms interested in participating in the Commerce-sponsored exhibition at the El Salvador International Fair should contact the U.S. Department of Commerce (BIC-942), Washington, D.C. 20230, (telephone: 202-967-5506), or any of the Department's 42 field offices listed in the World Trade Opportunities section of this magazine.

U.S.-STYLE MEAT MARKET is doing excellent business in San Salvador, and could stimulate sales of U.S. butcher shop equipment. Here, Commercial Attache Muenzer inspects some of the shop's products.

Inter-American Highway links CACM members for trade, tourism

Now passable for entire 3100-mile length, road offers transportation from Laredo in Texas to Panama City

Economic development and integration depend on a number of complex factors, not the least of which is reliable regional transportation.

The backbone of transportation in Central America is the Inter-American Highway which connects all of the republics not only with each other, but with Panama, Mexico and the United States. The rapidly growing national road systems are forming an integrated Central American regional highway network based on this main artery of economic life.

The Inter-American Highway is that part of the Pan American Highway system spanning the length of Mexico and the Central American Republics from Laredo, Tex., to Panama City.

The Pan American Highway System, as a whole, is a network of main highways, existing or planned, traversing and linking all of the countries of South and Central America. Each country has designated the routes within its own borders. No specific routes have been designated in the United States, because it has such an extensive system of good highways, nor in Canada, as it is not a member of the Organization of American States.

The idea of linking the Americas began with the dream of a railroad, first proposed in the 1880's. The proposal was formally initiated at the First Conference of American States in 1889 and was promoted at successive Inter-American Conferences over the next 50 years. The proposed project, however, has not reached the construction stage.

Origin of idea

The Fifth Conference of American States, in 1923, while still promoting the idea of a railroad, also recommended that an Automobile Road Conference be held, looking toward construction of highways within and between the countries of the Americas. Thus began the idea of the Pan American Highway System, of which the Inter-American Highway is a part.

The United States gave its first direct financial support to the idea when, in 1930, Congress provided $50,000 for a reconnaissance survey of a road to link the American continents. The Bureau of Public Roads, in cooperation with the Central American Republics, completed this survey, from the U.S. border to Panama City, in 1933.

The Government of Mexico had already begun to build its part of the Inter-American Highway, and has continued the work with its own funds and engineering forces, without assistance from the United States.

Since 1930, the United States has appropriated $138.7 million for construction of the Inter-American Highway in the Central American Republics, and authorized an additional $32 million for its completion, under the supervision and management of the Bureau of Public Roads. Generally, the work has been done on a cooperative basis, the United States paying two-thirds of the cost.

In paying their one-third share of the cooperative work, and in independent work wholly financed with their own funds, the cooperating Republics have spent more than $82 million in construction of the Inter-American Highway since the beginning of the program and will spend at least $16 million more in matching the additional $32 million in U.S. funds authorized for completion.

Present status

The Inter-American Highway is now passable for its entire length of 3,142 miles. The last impassable section was opened in December 1962 upon completion of 39 bridges in southern Costa Rica, which had been under construction for 2½ years. Of its total length, 2,893 miles are paved and 249 miles have an all-weather gravel surface.

The highway is being built to standards comparable to secondary roads in the United States. Safe driving speeds will vary from 25 miles to 60 miles per hour south of Mexico depending on the nature of the country through which the highway passes. Gravel surfaced sections of the highway may present difficulties at times. In the dry season they are dusty and construction detours may be encountered. In the rainy season slides or washouts may occasionally cause delays or make detours necessary in the mountainous sections.

South of Oaxaca, Mexico, tourist facilities for food, lodging, gasoline, and repairs are more widely spaced than is usual in the United States and tourists should plan accordingly. The best facilities, and in many cases the only facilities available, will be found in the larger cities. In these cities English is spoken at most places catering to tourists.

Customs procedures of several of the Central American Republics are still slow. Lack of proper surface maintenance and cattle on the highway in some places makes high speed driving dangerous, especially at night. There also are few road signs to guide the tourist.

It is recommended that travelers plan to drive at a leisurely rate, not over 200 to 300 miles a day south of Mexico, and arrange to stop overnight at the larger cities.

Tourists who are not used to driving under these conditions may consider a trip over the Inter-American Highway an adventure; however, those who are prepared to accept some inconveniences and who can respect the different customs, habits, and ideas of the people of the Inter-American Highway countries will find the trip interesting and enjoyable.

Mexico, 1,587 miles

The first half of the Inter-American Highway in Mexico, extending 761 miles from Laredo, Tex., to Mexico City, is a paved highway comparable to any two-lane road in the United States traversing similar terrain. The Inter-American route is also accessible over paved roads from other major ports of entry in Texas, including Brownsville, McAllen, and Eagle Pass.

In addition, it is possible to drive to Mexico City over paved highways from El Paso, Tex., and Nogales, Ariz. These highways leading to the capital city of Mexico are traveled by hundreds of thousands of U.S. tourists every year.

South of Mexico City, the 826 miles of the route to the Guatemala border can be traveled without difficulty, but south of Oaxaca tourist facilities become less frequent. The entire section is paved and passable at all times.

Guatemala, 313 miles

Shortly after entering Guatemala, the Inter-American Highway passes through the steep and narrow Selegua Canyon,

frequently referred to as "El Tapon" (the plug). This has been one of the most difficult sections to construct and is still not completed to full width, but is now passable at all times. The town of Huehuetenango, where good tourist facilities are available, is about 45 miles from the Mexican border. The 165 miles from Huehuetenango to Guatemala City are paved.

Guatemala City, the capital of the country, is situated at an elevation of about 5,000 feet and enjoys a pleasant climate year-round. Complete tourist facilities are available in the city, and it serves as an excellent headquarters for side trips.

The El Salvador border is 103 miles from Guatemala City and this paved section of the highway is passable at all times.

El Salvador, 196 miles

The entire 196-mile length of the Inter-American Highway in El Salvador, including a 5-mile spur at the southerly end, is paved and well maintained. The capital city of San Salvador, 61 miles from the border, offers good tourist facilities and is an easy day's drive, 164 miles, from Guatemala City. The highway continues 130 miles to the Honduras border.

Honduras, 94 miles

The Inter-American Highway in Honduras has been paved for its full length but it does not pass through any large centers of population and tourist facilities along the way are meager. Tegucigalpa, the capital city, is 60 miles off the Inter-American Highway; but it is accessible over a paved road from Jicaro Galan, on the highway 25 miles south of the El Salvador border and 69 miles north of the Nicaragua border. Tegucigalpa, at an elevation of 3,000 feet, has a pleasant climate and adequate facilities for tourists. The city is located 215 miles from San Salvador.

Nicaragua, 238 miles

The entire route in Nicaragua has been paved. The total distance from Tegucigalpa to Managua, where the best tourist facilities in Nicaragua are available, is 276 miles. The highway in Nicaragua presents no difficulties for the tourist.

PHYSICAL LINK OF INTER-AMERICAN HIGHWAY provides strong trade boost to cement CACM treaty.

Costa Rica, 410 miles

The Inter-American Highway in Costa Rica is paved from the Nicaragua border to the capital city of San Jose, a distance of 193 miles. The first 120 miles of the highway in Costa Rica pass through relatively level country at low elevation. The road then climbs rather abruptly to the central plateau, which averages about 4,000 feet elevation. Paving on this section is in poor condition and repairs to it are under way, but traffic is maintained at all times. San Jose, on the central plateau, has a pleasant climate and good tourist facilities.

The paved highway continues from San Jose for 13 miles to Cartago. In the next 71 miles the road climbs to 11,000 feet, the highest point on the Inter-American Highway, and then drops to 2,000 feet at San Isidro. The descent to San Isidro is, in some places, winding and narrow, with occasional detours around old embankment slides. At times clouds envelop the mountains and the traveler should make local inquiry as to the best time to make the trip.

The 133-mile section from San Isidro was opened to through traffic in December 1962 but it is not yet paved and during the rainy season, slides may be expected in some of the more rugged sections. Few tourist facilities are available between Cartago, Costa Rica and David, Panama, a distance of 237 miles, and the overall driving speed may not average over 35 miles an hour.

Panama, 304 miles

From the Costa Rica border, the Highway is open at all times to Panama City, the capital. It is a low-level paved route and presents no unusual problems for the tourist. Good tourist facilities are available at David, Panama, 33 miles south of the Panama-Costa Rica border. From David, the 271 miles to Panama City, where complete tourist facilities are available, are paved with concrete.

The Inter-American Highway as such ends at Panama City, but a road extends 38 miles further east to Chepo. Beyond this point lies the Darien Jungle, a stretch of some 450 miles through southern Panama and on into Colombia. A pioneer road has been constructed by Panama for about 20 miles but otherwise there is no sign of a road here.

The Organization of American States, acting through the Darien Subcommittee, has now taken the first step toward opening a highway connecting North and South America by awarding a contract to a consulting engineering firm to make the survey and to prepare plans for the route through this now impassable gap.

President requests quick action from Congress on new programs to help expand nation's exports

High priorities put on special Eximbank financing authority, $2.4 million supplement appropriation for Commerce Dept.

To improve the balance of payments position of the United States in international trade, President Johnson has asked Congress to enact two measures boosting the nation's exports.

The President urged Congress to:

► Allocate $500 million of the Export-Import Bank's existing authority as a special fund to finance a broadened program to sell American goods in foreign markets, and

► Approve a $2.4 million supplemental appropriation which he submitted to the Congress on Mar. 11. This would enable the Department of Commerce to launch shortly a five-year program to promote American exports.

The $500 million Eximbank allocation would provide for export financing not presently covered under the Bank's program. Among the major aims of the new financing will be the encouragement of firms that now sell only within the United States to expand their markets and sell their goods abroad with Eximbank help.

Competitive financing

Under the President's proposed program, Eximbank would also make available to American firms export financing more competitive with that provided by other major trading nations to their companies and especially suited to developing new markets.

President Johnson announced in his letter to Congress plans to establish an Export Expansion Advisory Committee, to be chaired by the Secretary of Commerce. The Committee would provide guidance to the Board of Directors of the Export-Import Bank in administering the proposed special fund.

The President called for "an immediate start" to the export promotion program to be funded by the special $2.4 million supplemental appropriation request previously sent to Congress. The additional funds would enable the Commerce Department to organize participation in more international trade fairs, establish Joint Export Associations for various industries, conduct market studies, and undertake other steps to stimulate the growth of U.S. sales throughout the world.

"The new authority for Eximbank and the supplemental appropriation for export promotion will reinforce our trade position," President Johnson said in his letter. "These measures will help business firms penetrate and secure new foreign markets and provide the follow-on services to expand their position in these markets."

The message pointed out that the proposals for the Eximbank program and new export expansion efforts are only part of the national balance of payments strategy.

Already in effect

Points of the program to improve the balance of payments situation which have already been proposed or enacted include the temporary restraints on the flow of direct investment funds abroad announced on Jan. 1 of this year, reductions in Government personnel overseas and in Government travel abroad, and negotiations for new arrangements to lessen the impact of military expenditures overseas.

Also in the works are plans to initiate discussions with other countries on methods to improve our trade position, as well as a new program, in cooperation with private industry, to attract more foreign visitors to this country. As part of the latter program, the President has asked Congress for an additional supplemental appropriation of $1.7 million for the U.S. Travel Service, to strengthen and increase its efforts to attract foreign tourists to the United States.

To aid in the attraction of foreign visitors, the President also called for elimination of "obsolete and burdensome visa requirements which now discourage foreign travelers from visiting our land."

Trade hearings begin

Representatives of 129 companies, associations or public bodies have requested a chance to appear at the hearings on U.S. trade policy that began last week under the sponsorship of the President's Office of Special Representative for Trade Negotiations.

Under the schedule currently arranged, it is expected that the hearings will extend into June.

An indication of the variety of witnesses at the hearings is the following list, scheduled to be heard during the first week:

Emergency Committee for American Trade, U.S. Feed Grains Council, American Association of Port Authorities, Port of New York Authority, State of Washington Department of Commerce and Economic Development, International Trade Development Board, Distillery Rectifying Wine and Allied Workers International Union of America, Wine Institute, National Association of Alcoholic Beverage Importers, Atlantic Fishermans Union.

U.S. Council of International Chamber of Commerce, Fine and Specialty Wire Manufacturers Assn., Independent Wire Drawers Assn., United Steelworkers of America, International Engineering and Construction Industries Council, Caterpillar Tractor Co., Control Data Corp., Hewlett-Packard, Volkswagen of America, Nationwide Committee on Import-Export Policy, Swiss Union of Industry and Commerce, "Countersurge," Export Expansion Project, and the Rice Millers Assn.

Eximbank $500 million credit will aid Canada-U.S. trade

The Export-Import Bank has authorized a $500 million line of credit in favor of the Government of Canada. Eximbank President Harold F. Linder described the credit as a stand-by arrangement which could be used, if needed, to maintain Canada's trade with the United States.

This stand-by credit, in addition to the $400 million in credits being made available by the central banks of Germany and Italy and by the Bank for International Settlements, supplements Canada's foreign exchange resources. Canada also has available a $500 million balance under a $750 million line of credit with the Federal Reserve System.

IEA members expect 30-50% boost in U.S. exports by 1973

Convention report optimistic on new product penetration; dissenters see rise in overseas protectionism, price problems

American manufacturers' penetration into new markets with new products will lead to a 30 to 50% expansion of U.S. sales abroad in the next five years, a confident 76% of the members of the International Executives Association reported to each other at their recent 51st annual convention.

A minority, looking for a leveling off or even a decline in U.S. sales abroad, saw among principal handicaps ahead for U.S. exporters an increase in overseas manufacturing or licensing by American producers, a rise in protective legislation overseas, and the probability that U.S. products will price themselves right out of markets abroad.

A feature of the IEA meeting in New York was the response to consultation opportunities with U.S. Foreign Service Officers. In two days a total of 38 consultations were held privately by convention-goers with officers reporting on markets in Canada, North Africa, and the United Kingdom.

Awards to Roth, Schnellbacher

The IEA's fifth Presidents' Award was conferred upon Ambassador William M. Roth, President Johnson's Special Representative for Trade Negotiations, who was also the convention banquet speaker.

Another convention award, a special plaque, was given to E. E. Schnellbacher, Assistant Director of Commerce Department's Bureau of International Commerce, for services over many years to the association.

In his banquet address Ambassador Roth emphasized the importance of halting the current protectionist drive for U.S. import quotas.

He said the quotas were now being advocated "as a means of stopping the outflow of dollars—dressing up self-serving legislation in the gleaming garments of serving the national interest.

"In fact, quotas would inevitably breed counter-quotas by other nations. Efficient American industries which thrive upon their access to world markets would be the first to be hit by foreign retaliation. The consequent decline in our export earnings would cost us more than the illusory benefits to our balance of payments."

Ambassador Roth contended that an export-surplus nation like the United States can only lose from a downward spiral of world trade. It would erode rather than improve our position in the world economy, he asserted.

He said: "The world has grown too interdependent for a return to the 'beggar-thy-neighbor' trade policies of a bygone age. The present need is for even closer cooperation among the nations, such as the central bankers of the United States and other major trading nations demonstrated in dealing with the gold crisis this past weekend. It is for initiatives seeking a way out of the balance of payments squeeze by expanding rather than contracting world trade—such as the British took last week in proposing an acceleration of the Kennedy Round tariff cuts. The other EFTA countries and Japan have also indicated they would follow suit—provided the European Community does as well."

Australian viewpoint

Australia's consul general, Sir Reginald R. Sholl, suggested locating the headquarters of the proposed Pacific Basin Economic Cooperation Committee in Honolulu, saying this would tend to strengthen the interest of the U.S. in the success of the project. He said Australians feel that they want to do all they can to encourage the U.S. to turn more and more of its attention toward Asia and the Pacific Basin.

He said the capital to develop Australia's huge mineral resources is being found, but not as quickly as many Australians would like, partly because of the guidelines of the U.S. and Britain restricting capital outflows. He noted that there are nearly 2,000 U.S. businesses reported in Australia and that the U.S. now has a short lead over the British as Australia's largest trade partner, with Japan third.

The polling of IEA members on trade prospects ahead was part of the Conference Report, in line with the meeting's theme of "International Prophets—The World Is Our Market." Responses came from a group that was 88% in manufacturing, 7% representing combination export managers, 3% from export houses and 2% from international service organizations.

A requested assessment of the most promising markets in the next five years found Latin America in first place, followed by the Far East, Europe, Africa and the Middle East.

Problems in overseas markets? Price competition was listed first, followed by local competition, tariff barriers, poor performance by agents and distributors, non-tariff barriers and quotas, in that order. Also mentioned were shipping expenses, production problems and material shortages.

Japan was named as the country offering the sharpest competition today, followed by Germany, Great Britain, Italy and France. Belgium, Switzerland and Sweden also drew mention.

To the question, "do you ship on U.S. flag vessels?" 69% answered sometimes, 24% whenever possible or always, and 7% never. About the use of air cargo shipments, 39% said they did occasionally, 34% often, and 27% rarely.

In advertising abroad, 42% used U.S. publications circulating abroad, 30% used local magazines or newspapers, 12% local radio, 10% local TV, and 6% found other ways or did not advertise.

For better service

Viewing current U.S. Government efforts to assist U.S. exporters, members of the IEA included a number of comments in their 1968 Convention Report.

Asked to make suggestions for improvement, they submitted: tax concessions to promote exports, lower cost credit insurance, improved credit reporting, more experienced personnel, better training of personnel, more imagination in interpreting AID regulations, better facilities for U.S. exhibitors at trade fairs and more funds for such activity, less cumbersome financing particularly for $5,000-25,000 transactions, keeping politics out of international trade, liberalizing East-West trade, and easing restrictions on foreign investments.

Some said: "Don't expect government to do the job you should do yourself."

ARIZONA MISSION TO MEXICO reaches destination, ready to seek markets for products of their State.

Arizona's first trade mission, to Mexico, finds good markets

Despite only a week on the spot, direct sales total $413,000; follow-up business may reach $800,000 in year, leaders say

The State of Arizona last month began helping some of its businessmen take their first big step into the world of international trade.

And that step paid off in six-digit sales figures for the participants.

"You can send a man to sell your products in Mexico for no more than it costs to send him to Seattle," the sponsors said in organizing the State's first trade mission to cross the border. The mission has just returned after a week's business tour in Mexico City, Puebla, and Guadalajara. Mexico was chosen for the first target because it is the nearest neighbor and could fit even the smaller businessman's pocketbook.

James Leinenkugel of the International Department of the Arizona Bank and Bob Foglesong of the International Department of the Valley National Bank, both in Phoenix, were mission leaders. They report that four members made direct sales totaling $413,000. Three companies appointed agents or distributors to represent them in Mexico. What's more, the participants project an additional $800,000 in sales during the next 12 months as a result of good contacts made on the mission tour.

The nine companies represented totaled more than 100 visits—to factories, businesses, government offices—and interviews with prospective buyers. Five of the men will return to Mexico soon for follow up visits. Even more important, four of these men had not been more than 120 miles South of the border before this trip.

Banks help

The Banco Nacional de Mexico and the Banco de Comercio each took an active part in providing leads and on-the-spot credit information on potential buyers, Leinenkugel and Foglesong report. The group met with the American Chamber of Commerce of Mexico and the Mexico City Chamber of Commerce on several occasions.

When it was all over—and some days were so busy there was no time for lunch—each participant said enthusiastically that he would be willing to do it again.

The mission, sponsored by the Arizona Regional Export Expansion Council and the Arizona World Trade Association, and approved by the U.S. Department of Commerce, was comprised of the following members in addition to the leaders—each from Phoenix unless otherwise indicated:

Sirocco J. Eberson, Guth Pascoe Co.; Charles E. Franklin, Arizona Utility Equipment Sales; Peter C. Gaffney, Southwest Forest Industries; Bob Hopper, McCulloch Corp., Los Angeles (Plant in Lake Havasu City, Ariz.); John H. Maffeo, Maffeo & Sons; John E. Mocho, Onate Feed Co., Albuquerque; Dean Sargent, New Draulics, Inc., Salt Lake City, Utah; Herbert A. Speerstra, Harco Industries, Inc.; James C. Spellman, Spellman Hardwoods.

Donald W. Fry, Director of the Commerce Department's Phoenix Field Office, joined the mission at Guadalajara.

Washington State marine equipment group to visit Japan

Mission looks toward exchange of information, sales leads

A Marine and Oceanographic trade mission plans to depart from Seattle next Thursday for a two-week stay in Japan.

Organized by the State of Washington and approved by the U.S. Department of Commerce, the mission will visit several cities for an exchange of information on how both these coastal areas can best develop the potential of the sea, and to explore chances for expanding sales of equipment manufactured in the West Coast State.

The group will include some of the State's leading businessmen. Also among the participants will be a woman scientist, Dr. Dixie Lee Ray, Director of the Pacific Science Center in Seattle and Associate Professor of Zoology at the University of Washington.

Firms represented on the mission are concerned with a variety of commercial and scientific marine equipment.

The mission will fly first to Tokyo, and on Sunday, Apr. 7, will travel to Aburatsubo to visit an aquarium there. The following day the group will be briefed at the U.S. Embassy in Tokyo by the Commercial Counselor and the Maritime, Fisheries, and Science Attaches.

Led by Robert F. Buck, Washington State International Trade Fair president, the group has arranged its itinerary to include attending the opening Apr. 9 of the Osaka International Trade Fair, where Washington State will have a pavilion. One section of the building will

be devoted to marine and oceanographic exhibits.

The mission also will spend several days in Nagoya before returning to Tokyo for a full week's schedule of business appointments and conferences. The group will fly back to Seattle on the 19th.

In addition to the chairman and Dr. Ray already mentioned, members are:

John E. Cannon, Cannon, Inc., Seattle; D. K. Forssen, Kelly, Pittelko, Fritz & Forssen, Seattle; Harvey Grohs, Harvey's Skin Diving Supplies, Seattle; Carl R. Litzenberger, Roy Welton & Associates, Endicott; William M. Iverson, Western Gear Corp., Everett; Peter G. Schmidt, Jr., Marine Construction & Design Co., Seattle; and O. H. Williams, Stinson Manufacturing Co., Spokane.

Some of these firms will be exhibitors at the Osaka Fair.

Canada deadline delayed for reports to investment unit

A new reporting deadline of April 5 has been set for investors who are required to use amended direct investment reporting forms, the Commerce Department's Office of Foreign Direct Investments has announced. The amended forms were made necessary by a change in the program in regard to Canada.

The amended forms have been mailed to the 42 Commerce Department Field Offices and Federal Reserve District Banks and Branches.

The forms will be used for reporting direct investments for 1965 and 1966, and foreign earnings for 1964-65-66.

Investors who have investments only in Canada, or who have investments only in countries other than Canada were to use the original form and observe the March 22 filing date. Investors who have investments both in Canada and in another foreign country must file the amended form by April 5.

In both cases estimates may be used. However, investors who use estimates must file a new form by May 6 with actual figures regardless of whether they file the original or the amended form.

The Office of Foreign Direct Investments had received base period report forms from approximately 1,350 investors as of Mar. 26. No estimate has been made of the number of companies required to report. Delayed filings will swell the final total.

Group of 12 industry missions will join in special flight to spur exports in Australia

Firm officials, representing variety of equipment, to go on first trip of new Pan Am service in South Pacific; trade associations, States organizing these missions

The U.S. Department of Commerce is planning to step up its export promotion efforts in Australia coincident with the inauguration of a new U.S. airline service to that Continent.

A Government-approved Trans-Pacific Trade Expansion Mission, made up of some 36 American businessmen with expertise in a wide range of U.S. industrial equipment, will leave the United States about Apr. 24 aboard the Pan American World Airways inaugural flight on a new South Pacific route to Sydney. The trip marks the beginning of the mission effort to boost U.S. exports to Australia.

In the mill

Under the Commerce Department's plan for an expanded export-selling program, and at the recommendation of the U.S. Consulate General at Sydney, the organization of 12 individual trade missions to Australia had been under way recently by a number of States and trade associations to promote several U.S. product lines in Australia. Products included:

Metalworking machinery, materials-handling equipment for mining and construction, dairy product processing and packaging machinery, marine products-handing and refrigerating systems and air conditioning, electronic instruments for industrial processing control, waste disposal and air pollution control equipment, teaching aids and educational equipment, hospital and dental equipment, automotive testing and service equipment, and general packaging machinery.

The trade missions were being organized with the help of the Department's Bureau of International Commerce.

To complement the Department's accelerated efforts to develop foreign markets for U.S. products, Pan American World Airways, through its World Wide Marketing Service, now has offered to make space available on its inaugural flight to the South Pacific area for a trade mission to Sydney and Melbourne, Australia. The Department therefore is combining the 12 missions already in the process of being formed into a single group of missions under its Industry Organized Government-Approved (IOGA) Trade Missions Program.

States, associations

Included in the mission are representatives from California, Minnesota, New Jersey, Ohio, Pennsylvania, Texas, Virginia, and Washington. U.S. trade associations represented include dairy and food processing, automotive service, welding, machine tools and consulting engineers.

Mission members will leave from New York, San Francisco, Los Angeles, Portland or Seattle. They will assemble in Honolulu on Apr. 25 for a flight to Pago Pago, Samoa, for intensive economic and commercial briefings by a Department of Commerce team from Washington, D.C., and by Paul H. Brent, Commercial Attache at Sydney, who will meet the group in Pago Pago and go with them to Sydney.

To arrive at end of month

The mission is scheduled to arrive in Sydney on Apr. 29 and return to the United States about mid-May.

Industry members on the mission will pay a small participation fee and their own living expenses. The mission will be accompanied by Commerce Department officials, and by business writers selected by Pan American World Airways.

A two-man advance team from Commerce is scheduled to leave shortly for Australia to arrange for mission members to meet agents, importers and distributors in Sydney and Melbourne. They will also participate in the Mission's briefing in Pago Pago.

HemisFair '68 has world trade

four major Commerce agencies: the Busi-

Mack Trucks rolls to 'E'

Company used wide distributor network, local assembly of vehicles to increase exports

Mack trucks, which in many countries travel over the roads they helped to build some 50 years ago, have rolled on to a Presidential "E" award.

The Allentown, Pa., company has increased its exports through use of a distributor network, market research, international trade exhibitions, and tailoring of products to local specifications.

Although Mack Trucks has increased its number of distributors from 38 to 61 since 1962, its officials have also instigated local manufacture and assembly of heavy-duty trucks. Its international program comprises: majority purchase of a foreign facility, retaining nationals in key management and marketing positions; joint assembly and manufacturing ventures; and licensing agreements with key distributors in prime marketing areas.

Mack's investment or ownership policy depends upon local market conditions and whether local rules permit minority or majority participation.

Mack builds plants in various major markets for partial local manufacture and assembly operations, supplementing its previous practice of shipping assembled trucks. It has such plants in Canada, Venezuela, Australia, Iran and Guinea.

Since 1964, sales of Mack unassembled trucks have grown to more than half of its total foreign shipments. Mack has factories in the Netherlands and France where these trucks are assembled. Mack is a partner with local co-owners in these operations. Regular assembled truck sales abroad continue to increase as many countries begin to use larger capacity trucks, due to the introduction of modern work methods and construction of new highways.

In late 1966 Mack gathered distributors from more than 40 countries for a sales conference in its Pennsylvania headquarters for the purpose of building distributor awareness of company interest in expanding overseas markets.

Since 1964 Mack has displayed its trucks in 13 foreign trade shows and fairs in ten different countries.

This is the second time Mack has been honored by an "E"—the first time was in 1942, during the wartime program. Inaugurated in 1906, when the U.S. Navy stimulated competition in the fleet by conferring "E" pennants on ships that excelled in engineering, gunnery and communications, the "E" flag was awarded during World War II for attainment in defense production.

A recent presentation ceremony of the "E" flag and certificate was held at the Mack headquarters in Allentown, Pa.

FLAG-RAISING AT MACK TRUCKS PLANT was attended by (l. to r.): Forest D. Hockersmith, Deputy Administrator of the Business and Defense Services Administration, Department of Commerce; Zenon Hansen, Mack board chairman and president; David Jamieson, director, Department of Commerce Philadelphia Field Office; and Alexander S. Wilner, Mack vice president for foreign operations.

Florida traders meeting this week in Jacksonville

Two Commerce Department officials, E. E. Schnellbacher, assistant director of the Bureau of International Commerce, and Robert L. Hirshberg, director of the Office of Commercial and Financial Policy, will be among the speakers at the Seventh Florida World Trade Conference. The conference is scheduled for April 3-5 at Jacksonville.

Co-sponsored by the Florida State Chamber of Commerce, Florida Ports & Foreign Trade Council, the Upper and Lower Florida Regional Export Expansion Councils and the Department of Commerce Field Office among others, the conference will be held at the Hotel Roosevelt.

Other scheduled speakers include: R. K. Johns, general sales manager, European division of Sea-Land Service Inc.; Walter H. Johnson, Jr., of Interpublic; and the Italian Ambassador to the U.S. Egidio Ortona.

A discussion pro and con "Future U.S. Trade Policy: Is Further Liberalization Justified?" will be conducted by Oscar R. Strackbein, chairman of the Nation-Wide Committee on Import-Export Policy and Howard S. Piquet, international specialist at the Library of Congress.

HemisFair '68 has world trade center to assist businessmen

Three Texas organizations, U.S. Department of Commerce combine to furnish information, advice, trade opportunities

Texas is putting world trade into the fun-and-culture scene at its international fair.

Four organizations have joined to provide international trade services to visiting businessmen at HemisFair '68, opening this Saturday in San Antonio and running until Oct. 6. The Texas International Trade Assn., Texas Industrial Commission, Texas Manufacturers Assn. and the U.S. Department of Commerce will occupy the Texas International Trade Center, located at the edge of the fair grounds.

The building will house a temporary Commerce Department Field Office, a business information section, a business development section, and the Texas International Club. Because of its location, the building will be accessible to businessmen without their having to enter the fair grounds each time they wish to stop in.

The business information section will have a supply of catalogs and brochures from participating companies, computerized data on Texas markets, and information on the United States and foreign countries. An international trade specialist from the Texas Industrial Commission, a state agency promoting industrial development and expansion, will have charge of the section.

The business development section will contain rooms that can be used by businessmen to conduct seminars, do research, write orders or just sit around and talk shop. A staff of bilingual Spanish-English secretaries will be available for assistance.

Texas businessmen participating in the center activities will be members of the Texas International Club, and will serve as hosts to visiting businessmen from other states and countries.

The Commerce Field Office will be staffed by George Malherbe, who is a former director of the Houston Field Office, and an assistant. The office will be supplied with the usual Commerce Department publications: Trade Lists, Overseas Business Reports, Export Market Guides, Economic Summaries, INTERNATIONAL COMMERCE magazine, Foreign Market Surveys, U.S. Government Trade Centers Reports, and others that contain foreign and domestic trade information. The Field Office will be connected through the Federal Telecommunications Systems (FTS) with the Department of Commerce in Washington and most of the other field offices, to permit prompt servicing of specific business inquiries and appropriate referrals.

The main activity of the HemisFair Field Office will be similar to that of the other 42 Commerce Field Offices. In effect, each Field Office is the prime contact point for the U.S. Department of Commerce in its own locality. The Field Office carries out the field programs of four major Commerce agencies: the Business and Defense Services Administration, Bureau of International Commerce, Office of Business Economics, and the Institute for Applied Technology.

At each Field Office a trade specialist assists in the solution of business problems, furnishes information and publications on the programs and services of the Commerce Dept. and other federal agencies, and provides counsel on foreign and domestic operations.

Both foreign businessmen wishing data on U.S. opportunities, and Americans seeking assistance in planning exporting or overseas operations will receive help at the HemisFair Field Office. It is expected that the majority of foreign businessmen attending HemisFair '68 will be from Central and South America.

The Chamber of Commerce of San Antonio, a cooperating office of the Houston Commerce Field Office, will have its own location from which to dispense information and service to visiting businessmen. It will refer businessmen to the Commerce Dept. Field Office when it feels they could profit from its services.

TEXAS INTERNATIONAL TRADE CENTER, marked by arrow and circle, houses Commerce Field Office.

Development effort boosts U.S. export chances in Venezuela

Stable outlook indicates economy may avoid election-year pause

Optimism about Venezuela's ability to preserve stability during this election year will probably enable businessmen to avoid the usual pre-election pause.

Venezuela's real gross domestic product growth rate in 1968 is expected to equal 1967's rate of 5%. A 2% increase in petroleum production is also predicted.

Demand for imports should be strong because of high foreign exchange reserves and the availability of credit. The U.S. should be in a good position to benefit considerably from this strong demand for imports.

The first of the larger petrochemical installations at El Tablazo and other smaller petrochemical ventures should advance far enough to result in sales of related U.S. equipment this year. Siderurgica del Orinoco (SIDOR), Venezuela's steel mill, has qualified a U.S. consortium to bid on some phases of the Government-owned steel company's projected flat products mill this year, and, if the consortium is successful, U.S. equipment will begin to be shipped later in the year.

Pollution problem

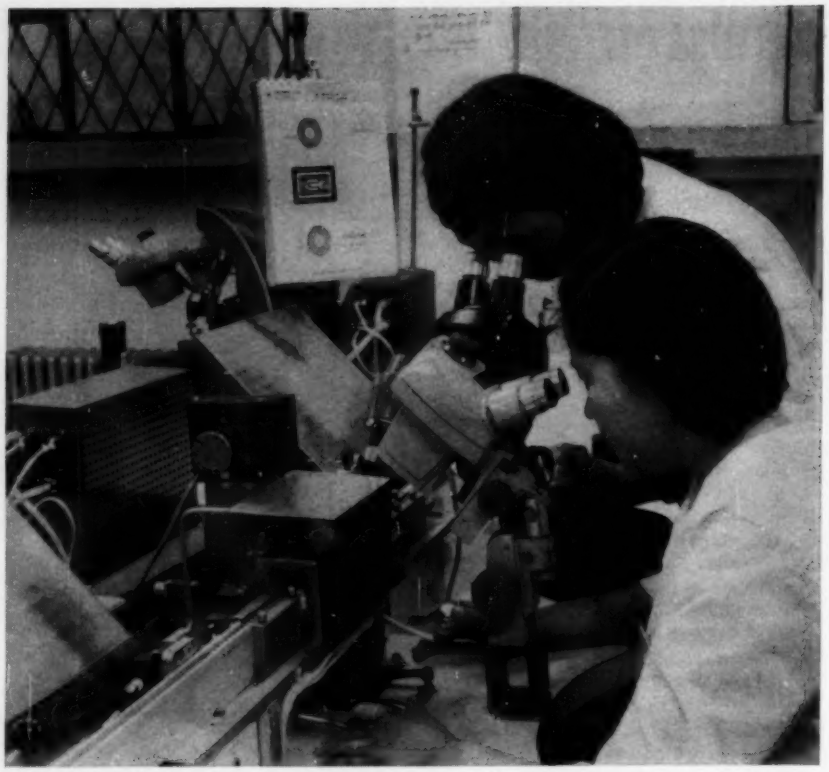
Major oil companies, concerned about the potential impact of the clear air regulations in the United States have agreed to construct refineries for the desulphurization of local petroleum, and should be importing significant quantities of American refinery equipment by the end of 1968. Also, with the Guri Dam construction proceeding very close to schedule, a wide range of equipment related to hydroelectrics should be shipped soon.

Because 1968 is a year of general elections, the Government is carrying on an extensive program of public works. The construction of hospitals, highways, office buildings, and water projects is generating a large demand for construction equipment and other machinery.

Also, such industries as food processing and packaging, metal foundries, chemicals, and petrochemicals may modernize their plants, which would further increase the demand for new and used equipment.

In agriculture, the U.S. should continue to be the principal supplier of wheat and meslin, fats and oils, beans, and temperate zone fruits.

The total value of U.S. exports to Venezuela will be further boosted by the sale of a large jet passenger aircraft this year, with a possibility that a major turbo-prop aircraft will also be sold in 1968.



STIMULUS TO KOREA'S ELECTRONICS INDUSTRY was provided from U.S. in 1967 as four subsidiaries of American companies began operations in semi-conductors and integrated circuits, representing a Korean-government-approved investment total of about $12 million. Scene above is from Motorola Korea's new Seoul semi-conductor assembly plant. It now employs 1,000 and has room for expansion.

Japanese-U.S. trade in photo goods rises

Equipment exports to U.S. gained 28%, '66; imports, 25%

The Japanese photographic goods industry enjoyed a good year in 1966, with production of equipment up 5% and output of sensitized material up 9% over 1965. Early figures for 1967 indicate that this trend continued.

Japan's exports of photographic equipment totaled $150 million in 1966, about 30% higher than in 1965. Exports to the 30% higher than in 1965, reflecting the the domestic market. Exports to the United States, which accounted for about one-third of the total, were up 28% in 1966.

Imports into Japan of photographic equipment amounted to a modest $6 million in 1966, with the U.S. supplying over half of the total. Imports from the United States (up 25% in 1966) consisted mostly of cameras and photographic equipment for industrial and commercial use.

Exports of sensitized materials in 1966 soared to $14 million, up 47% compared to 1965. Major items were X-ray films and plates, movie films and roll films. Exports of X-ray films to the United States rose significantly.

Imports of sensitized materials totaled almost $16 million, about 27% higher than in 1965, with the leading import items being color movie film and film for graphic arts, both supplied chiefly by the United States. About 80% of Japanese imports of sensitized goods came from the United States.

Eximbank assists in Japan purchase of 10 U.S. jetliners

Credits to be shared by McDonnell Douglas Corp., Chase Manhattan

Agreements formalizing a credit authorized by the Export-Import Bank in September of 1967 were signed recently in Washington. The borrower, Japan Air Lines, will use the loan to help in financing the purchase of ten McDonnell Douglas DC 8 jet airliners costing $85 million.

Under the terms of the agreements, Japan Air Lines is making a cash payment of slightly over $17 million. Of the $68 million balance, the McDonnell Douglas Corporation will provide credit totalling $6,803,000; the Chase Manhattan Bank, N. A., will advance $29,762,000; and Eximbank is extending credit of $31,465,000. The Eximbank portion of the credit will be repaid out of the later installments of principal and bears interest at the annual rate of six percent.

The agreements were signed by the fo'lowing officials: for Eximbank, president Harold F. Linder; for Japan Air Lines, managing director S. Inamasu; for Chase Manhattan Bank, N. A., vice president Martin R. Hansen; for the McDonnell Douglas Corporation, J. P. McMillan, vice president, finance; for the Government of Japan as guarantor of Eximbank's credit, Ambassador Takeso Shimoda; and for the Japan Development Bank as guarantor of the McDonnell Douglas and Chase credits, Tomaki Adachi, Washington representative.

Pordenone province formed by Italy from part of Udine

Italy has a new province, its 93rd: Pordenone, formerly part of Udine Province. The new province announced by the Italian Government has a population of 250,000 and an area of 889 square miles. The capital, Pordenone, (about 70 miles from Trieste) has a population of about 42,000. The new province has had a great expansion of light industries in recent years. Major industries are: electric household appliances, textile machinery, saw mills, cutlery, ceramicware, mosaics and furniture. Pordenone is one of Italy's chief furniture producing areas.

U.S. mining, mineral processing firms to seek customers in Sweden

June show at Stockholm Trade Center will give Scandinavian ore producers a chance to see, purchase advanced equipment

American industry will go after a bigger share of Sweden's $39.5 million market for mining and mineral processing equipment through a special U.S. Department of Commerce show June 10-14 at the U.S. Trade Center in Stockholm.

Sweden's larger ore producers are pushing for greater efficiency and mine improvement to remain competitive in world markets. Emphasis is on construction of new ore concentration and pelletizing facilities, calling for specialized ore and mineral transport equipment.

In addition, there is continuing demand for standard contracting equipment and components to meet the needs of Sweden's smaller mine and quarry operators.

With these promising prospects for new export business, the opportunity for boosting American industry's current 28 percent share of the Swedish market for mining and mineral processing equipment are especially good, market studies show.

Marketing program

To support exhibitors' sales efforts, a broad market development program is underway to tell Scandinavian buyers and end-users about the equipment to be displayed. An agency-finding service for firms not represented in the market also is in operation.

Market studies show that U.S. equipment is well known in Scandinavia for its dependability, high-capacity, ease of operation, and service, enhancing the sales potential for U.S. mining and mineral processing equipment.

In strong demand by the larger ore producers are mechanical drilling equipment, loaders, shuttle cars and excavators, as well as equipment that operates efficiently in small, narrow underground workings.

Trucking, conveying, hoisting, crushing, sorting and concentration of ore are areas dominated by Swedish suppliers, but sintering and flotation equipment offer favorable sales possibilities for U.S. firms.

The smaller mine and quarry operators are interested primarily in compressors, crushing and grinding equipment, drills, dumpers and dumper cars, groundwater equipment, loaders, motorized earthmovers and pumps.

Sweden has an estimated 150 active mines and quarries, including 53 iron mines, 20 nonferrous metal mines, and about 80 mines or quarries producing nonmetallic minerals. There are at least 50 active mining companies, including 28 companies involved in ferrous and nonferrous metal mining.

Resources there

Copper and zinc ores, in the form of sulfides, are plentiful in Sweden. The country has small deposits of lead, gold, silver, tungsten, manganese, molybdenum and arsenic. Nonmetallic minerals include granite, feldspar, quartz and marble.

U.S. firms interested in taking part in the Stockholm show may obtain more information from the Bureau of International Commerce (code 946), U.S. Department of Commerce, Washington, D.C. 20230 (Phone: area code 202-967-3350), or from any of the Department's 42 Field Offices.

Food export promotion supplement is available

A supplement to *Telefood Magazine* entitled "Fine Foods from the U.S.A." is available without charge from the Department of Agriculture to exporters interested in new ways of promoting their products abroad.

The publication contains articles describing such aids to exporting as the Department of Agriculture's export market development program, and a calendar of food industry trade shows in the United States and abroad for 1968.

Write: Information Division, Foreign Agriculture Service, Department of Agriculture, Washington, D.C. 20250.

United States overseas

The export promotion dates on these six pages offer important information for the U.S. exporter by telling what to sell, and where and when. The opportunities lie in commercial trade fairs, U.S. Trade Center shows, trade missions, America Weeks, the Sample Display Service and Mobile Trade Fairs. The last three are described elsewhere in this schedule.

Aggressive promotion is necessary to clinch the sale, but the task is made easier by exposing your products in the ways listed here.

► Exhibits in commercial fairs by the United States are selected after a research study shows a market for the product.

► Trade Center shows held in London, Bangkok, Frankfurt, Tokyo, Milan and Stockholm, are limited to specific product lines.

Write: Bureau of International Commerce, Code 938, Department of Commerce, Washington, D.C. 20230.

► Trade missions composed of U.S. businessmen are organized to promote the export of U.S. goods and services. Some are organized and financed by the U.S. Government. Others are industry-financed and industry-organized and programmed with Government help.

American firms interested in selling their products abroad are invited to submit their business proposals to: Bureau of International Commerce, Code 918, Department of Commerce, Washington, D.C. 20230.

This calendar of exhibitions will appear in the first issue of INTERNATIONAL COMMERCE each month.

Industrial gas equipment. UNITED KINGDOM. Great Britain is on the brink of one of the most significant economic developments in the past several years. This stems from the discovery of a vast supply of natural gas (estimated at 4 trillion cubic feet a day for 25 to 30 years) in the North Sea, some 35 miles off the coast of England. Due to the marked differences in the character of manufactured gas and natural gas, practically all of the present industrial equipment using this type of fuel must be converted. This will involve the installation of 1250 miles of high pressure pipeline at an estimated cost of $420 million. The overall budget involving a changeover of many thousands of items of equipment is $1.2 billion. The opportunities for U.S. participation in this industrial transition are substantial. **London Trade Center. Apr. 17-25.**

Food processing and packaging machinery, general industrial equipment, automotive parts and accessories, chemical and petrochemical parts and processes, and international trade, finance, and investment. PARAGUAY, CHILE. U.S. Trade Mission. Mission is scheduled for **Apr. 20-May 18.**

Physics research equipment. UNITED KINGDOM. Recent trends in research and development in the United Kingdom indicate strongly that the demand for scientific and technical instruments will continue to increase. In 1964-65, total expenditures in R and D amounted to over $2.1 billion of which 61% was for development, 26% for applied research and the remainder for basic research. Most of these expenditures were made by private industry with the government second and educational institutions third. U.K. imports from the United States in this field increased 15.8% in 1966 and disclosed an even greater advance in electronic and physical property testing apparatus—22% during that period. These increases resulted in total U.S. sales of $62 million in scientific, industrial and technical instruments to Britain in 1966. This would indicate a broadening market in 1967-68 and an improving trend for the future. **London Trade Center. May 15-23.**

Automotive maintenance and service equipment, and accessories. GERMANY. There is a continuing and growing demand in Germany for American automotive maintenance and service equipment. Increasing vehicle registration and stringent periodic inspections are taxing repair shops to capacity. In addition, a shortage of skilled labor is putting a premium on labor saving equipment and improved testing devices. Representatives of American firms who are now selling in Germany and Western Europe believe this is a good time to boost sales and have requested an exhibition at the U.S. Trade Center. The show has been scheduled for the latter part of May and since some additional space is available it is offered to companies who may or may not be represented in the area at this time. **Frankfurt Trade Center. May 27-31.**

Metalworking machine tools, packaging, food processing equipment. ISRAEL. Israel offers outstanding opportunities for sales of U.S. metalworking machine tools, and packaging and food processing equipment. Such industries as aircraft, automobiles, citrus fruit, cosmetics and others that contribute heavily to Israel's export sales are being expanded and modernized. As a result, demand for capital equipment generally, and the products listed above specifically, should be exceptional. It is reported that metalworking equipment purchases alone over the next 18 months are expected to reach $150 million. American manufacturers can take advantage of this selling opportunity by participating in this exhibition. Book your space now, before the limited space is filled. **U.S. Commercial Exhibition, Tel Aviv International Trade Fair. June 4-22, 1968.**

Mining and mineral processing equipment. SCANDINAVIA. Mine engineers, metallurgists, mine/processing plant superintendents and road building contractors from throughout the Nordic area have been identified and invited to this special trade show. The United States is a major supplier to this area, currently accounting for 28% of Swedish imports of such equipment. Sales potential is especially high for mechanical drilling equipment, loaders, shuttle cars and excavators. There is need for equipment capable of operating in small, narrow underground workings. The larger Swedish ore producers are

promotions

accelerating mine improvement and efficiency programs to meet the competitive situation in the international ore market. Particular emphasis is on construction of additional ore concentration and pelletizing facilities. The smaller mine and quarry operators continue to be prospective customers for standard contracting equipment and components. **Stockholm Trade Center. June 10-14.**

Industrial assembly equipment, fasteners, adhesives. ITALY. Because of the fast pace of industrial growth in Italy, prospects appear excellent for sales of assembly equipment, fasteners and adhesives. Italy's leading industries, including home appliances, automobiles, electronics and office machines, are all important users of assembly equipment. Many of Italy's largest corporations use American equipment and U.S. manufacturers should find expanding export opportunities as Italian industrial production continues to grow. **Milan Trade Center. June 12-18.**

Mechanical power transmission equipment. UNITED KINGDOM. American industry will bid for a larger share of Britain's $450 million market for mechanical power transmission equipment at a special exhibition in London in June. This sales promotion event will underscore the wide range of automatic equipment now available in the United States—equipment capable of moving anything from lightweight passenger vehicles to heavy duty locomotives. The adoption of hydromatic and hydrostatic drives for earthmoving and other heavy equipment in Britain has lagged. A dramatic increase, however, in "over the road" transport facilities and roadway construction, provides U.S. exhibitors in the London show with an unparalleled opportunity to boost their sales level in this type of equipment. **London Trade Center. June 12-20.**

Transducer instrumentation systems. GERMANY. Precision transducers and data acquisition systems from leading American firms enjoy a well established market with German R & D firms. Future market expectations are favorable with increases planned in both public and private expenditures for research. American firms with the latest and most advanced equipment will find prime sales opportunities at this show. **Frankfurt Trade Center. June 18-22.**

Materials and cargo handling equipment. THAILAND. The Thai market for materials and cargo handling equipment is growing and becoming more diversified as the nation's economy expands at a rapid rate. The use of mechanized cargo and materials handling equipment has increased steadily over the last decade. Significant increases in the volume of overseas trade, building construction, mining and manufacturing activity have played a major part in encouraging more widespread use of modern handling techniques. This trend is expected to continue and strengthen. The local business climate is currently conducive to increased marketing efforts by a broader segment of the U.S. materials handling industry. To take advantage of these growing sales opportunities, a showing of U.S. materials handling and cargo handling equipment is scheduled to be held in Thailand. **Bangkok Trade Center. June 19-28.**

Document processing and reproduction equipment. JAPAN. Like the U.S. Japan faces the problems of an ever increasing volume of paperwork, document reproduction, information storage and retrieval in corporations, universities, government agencies, financial institutions, research laboratories, information centers, libraries, manufacturing and engineering concerns, commercial organizations and agencies of all types. Many areas of this market are just beginning to institute advanced document processing procedures. Modernizing activities in the following areas are now taking place or are planned: Reprography and microfilming, document and record storage and retrieval, copy and graphic arts preparation, photocopying, duplicating and reproduction. According to recent reports, there is a significant market potential and a definite demand for U.S. made equipment for reproduction, microfilming and retrieval systems. Through this exhibition, U.S. manufacturers have a prime opportunity to introduce the most modern information handling systems to a $30-$40 million market which is increasing annually. **Tokyo Trade Center. July 22-27.**

Electronics characteristics measuring equipment. ITALY. Demand in Italy for electronic and electrical characteristics measuring equipment has increased steadily in the past few years as Italy's electronics industry achieved outstanding growth. Italian production of advanced measuring instruments is generally considered inadequate to meet the steadily expanding domestic demand. Trade and industry sources estimate that purchases in 1966 of electrical and electronic measuring instruments by Italian industry amounted to some $49 million. Prospects for sales of U.S. equipment are especially bright in the fields of electronic measuring instruments used in the production of professional electronic products, and all types of "fourth generation" electronic instruments used by the manufacturers and users of integrated circuits and microcircuits and other electronic devices. **Milan Trade Center. Sept. 1-8.**

Advanced fluid power equipment and fluidic devices. GERMANY. The fluid power equipment market in Germany has been growing at a rate of approximately 12% annually for the past five years. The same growth rate is predicted for the next five year period. American products have already been widely accepted and dominate in the fields of airborne hydraulics systems and pneumatic tools. This planned Trade Center event will feature advanced fluid power components and fluidic devices. For additional information on how your firm can promote its products in one of the fast growing fields in Germany, call Area Code 202, 967-3966. **Frankfurt Trade Center. Sept. 16-20.**

Advanced electronic components, instruments and equipment. JAPAN. America's principal overseas customer represents the world's third largest industrial economy. The nation's accelerating $3 billion electronic industry imports more parts and equipment from the U.S. than any other nation. This dynamic

demand has been carefully researched and over 70 selected U.S. product lines are known to be saleable to industry, government and laboratories. "Made in U. S. A." connotes technological and quality advantages to Japanese users. This joint U.S. industry/government exhibition, the largest presentation of its kind ever held in Japan, offers American manufacturers an unparalleled opportunity to do business with the largest gathering of Japanese buyers and specifiers of electronics. **U.S. Commercial Exhibition. Japan Electronics Show, Tokyo. Sept. 17-23.**

Printing and bookbinding equipment. SCANDINAVIA. This show will provide an opportunity for U.S. graphic arts equipment manufacturers to reach sales prospects in Denmark, Finland and Norway, as well as Sweden. Market promotion will include invitations to the major printing houses, process engravers, litho printers, newspapers and journals, bookbinders and other firms involved in the graphic arts industries of these countries. A survey conducted in Sweden indicates that the Nordic area needs the latest in ancillary equipment and supplies, particularly chemigraphic; new photosetting and composition machines; scanners; electronic control devices for typesetters and presses; flexographic web offset; letterset equipment; special inks; and labor-saving devices used in bookbinding. Market prospects are exceptional for advanced machines, processes and materials. Total Swedish imports of such equipment in 1966 were valued at $16.2 million, of which the United States sold $2.96 million or 18% of the total. American manufacturers alone supplied 53% ($871,000) of all imported typesetting machines. **Stockholm Trade Center. Sept. 18-24.**

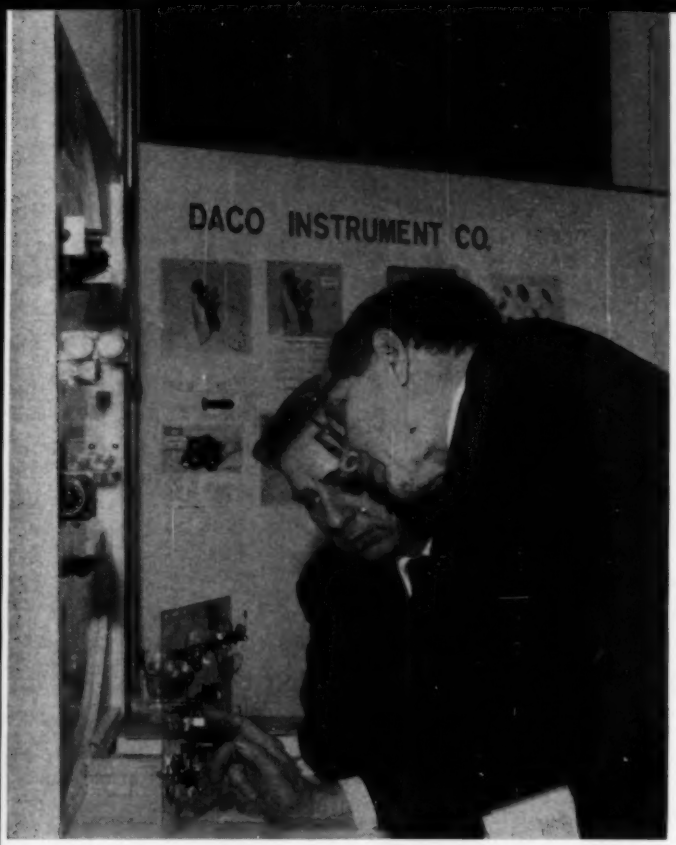
Nuclear instrument systems and components. UNITED KINGDOM. Next to the United States, Great Britain offers the most attractive possibilities in the sale and distribution of nuclear instrument systems and components. As a matter of fact, in the nuclear power station program (utilities) the U.K. currently has the largest single operation in the world. Attractive market opportunities for U.S. producers are indicated because of the emphasis in Britain on research. This has resulted in a "slow down" in the production of the more sophisticated and advanced components. The total market in the U.K., including industrial, medical, and research is estimated at $15 million, of which the replacement figure, excluding new users is about $2½ million. Through this exhibition, U.S. producers have a genuine opportunity to introduce the latest developments in the nuclear systems and components field. **London Trade Center. Sept. 18-25.**

Plastics production and control equipment. ITALY. Italy is a leading producer of plastics. In the last 10 years, Italian production of plastic materials rose from 116,000 metric tons to more than a million tons, covering almost the full range of condensation and polymerization products, both thermoplastic and thermosetting. Despite their already advanced technological position, Italian manufacturers are actively seeking improved processing techniques and advanced equipment to increase productivity and cut production costs. To help U.S. industry take advantage of the sales possibilities offered by the Italian market, the U.S. Department of Commerce has scheduled a special exhibition of U.S. machinery and controls for use by plastics manufacturers. The U.S. exhibition will coincide with PLAST-68, the International Plastics and Rubber Exhibition to be held at the Milan Fair grounds where the U.S. Trade Center is located. **Milan Trade Center. Oct. 5-13.**

Machine tools, industrial controls, engineering and maintenance, welding and cutting, and materials handling equipment. JAPAN. The Japanese market offers excellent prospects for U.S. suppliers of capital goods and technical services. U.S. exports to Japan during 1967, estimated at $2.7 billion, set a new record. Our exports to Japan, the world's third largest industrial producer, should reach the $3 billion mark this year. Active and carefully planned programs for industrial modernization are taking place throughout Japanese industry. Fully supported and encouraged by the Japanese Government, a high level of private investment to modernize Japanese industry to keep its products competitive in world markets is expected to continue strong. Although definition of plant engineering and maintenance equipment is necessarily extremely broad, 1967 U.S. exports to Japan in this area probably amounted to several hundred million dollars. A number of U.S. exhibitions featuring narrowly defined product categories have met with continued success in the U.S. Trade Center in Tokyo. However, space limitations in the Trade Center have precluded the possibility of presenting a broadly based U.S. exhibition, including many large pieces of equipment, which would be representative of U.S. capabilities in the area of industrial modernization. Sponsored by the Japan Management Association, this fair was first held in 1960 and has shown steady growth in size and importance to the Japanese industrial community, **U.S. Commercial Exhibition, Japan National Plant Engineering and Maintenance Show, Tokyo. Oct. 8-12.**

Catering equipment, laundry equipment and hotel maintenance equipment. FRANCE. Increasing competition for the tourist trade is forcing France to undertake a program for the modernization of tourist facilities. The French Government is providing incentives in the form of low cost loans, tax advantages, and revised hotel standards to encourage improvements. At the same time, changing social and working conditions in France are creating a growing need for large volume, quick service feeding facilities. These conditions are causing a substantial expansion of the French market for equipment and supplies for hotels, restaurants and institutions. This expansion presents an excellent sales opportunity for U.S. manufacturers of equipment used by restaurants and hotels. The market is particularly good for food preparation and serving equipment, laundry equipment, and hotel maintenance equipment. U.S. firms can gain exposure and take advantage of the sales prospects offered by this growing market by participating in the U.S.-sponsored exhibition at the EQUIP'-HOTEL fair. EQUIP'HOTEL is the largest, most important show in France for the hotel, restaurant and catering industries. It attracts a large audience of hotel, restaurant, snackbar and cafe owners and operators; contractors, architects, designers and decorators; managers and operators of institutional establishments. **U.S. Commercial Exhibition, EQUIP'-HOTEL, Paris. Oct. 10-21.**

Chemical and petrochemical processing equipment and instrumentation, packaging machinery, textile machinery, machine tools and construction and mining equipment. BRAZIL. Brazil, which is larger than the United States and contains half the population of South America, is at the take-off stage of a Government incentive program to induce industrialization and modernization through private investment. As a result of greater economic and political stability, coupled with Government encouragement of private investment, increased demand prevails, for chemical and petrochemical processing equipment and instrumentation, packaging machinery, textile



MICROMINIATURE ELECTRONIC COMPONENTS called for close scrutiny by British buyers at a recent London Trade Center exhibition. Bowmar Instruments, representing Daco Instrument Co., was among 71 exhibitors, who predicted first-year sales resulting from the show at over $2.2 million.

machinery, machine tools, and construction and mining equipment. Requirements for this type of capital goods should increase 20% to 50% annually during the next five years. U.S. exhibitors will find prime sales opportunities during Commerce's first major effort in Brazil. **U.S. Solo Exhibition, Sao Paulo. Oct. 15-25.**

Equipment for the processing of chemicals, petrochemicals and pharmaceuticals. THE NETHERLANDS. The most dynamic sector of the highly industrialized Dutch economy is the chemical industry. It is the most important industry after the food and metalworking industries and has become the second most important export industry. The growth rate of the chemical industry far outpaces all other major Dutch industries in output and investment. Investment in the chemical industry was $359 million in 1966 or 20% of total industrial investment in The Netherlands. Expansion of the industry is expected to continue at a high level for the next several years. The elimination of internal tariff barriers within the Common Market on July 1, 1968, will further expand the market for Dutch chemical producers. The growth of the chemical industry is generating an increasing need for equipment. Dutch producers are eager to utilize the latest technological developments to keep their production facilities modern. This opens up good prospects for the sale of U.S. products. The MACHEVO fair, the most important industrial exhibition in The Netherlands, will provide U.S. manufacturers of equipment, apparatus and instruments for the chemical industry, with an exceptional opportunity to sell to the rapidly expanding Dutch market. **U.S. Commercial Exhibition, MACHEVO, Utrecht. Oct. 16-23.**

Production equipment for the electronics industries. GERMANY. West Germany's electronics industry, the largest in Europe, is tooling-up for a major expansion of production capacity in 1968. With all signs pointing toward a German economic resurgence, a substantial rise of more than 5% to a record level of $2.4 billion for electronics consumption is being forecast. To assist U.S. industry, the Department of Commerce is sponsoring its first showing of electronics production equipment at a major international trade fair. The ELECTRONICA Exhibition, held every other year, is a leading event on the European electronics calendar. A hard hitting market promotion campaign, tailor-made to each individual participant's desires, is already in motion. Book your space now, before the limited space is filled. **U.S. Commercial Exhibition. ELECTRONICA 68—International Trade Exhibition of Electronic Components, Measuring and Production Equipment, Munich. Nov. 7-13.**

Agricultural and forestry equipment and implements, packaging, food processing equipment, metalworking and woodworking tools. EL SALVADOR. The Central American Common Market is exceeded only by Mexico, Brazil and Venezuela as a Latin American market for U.S. products, having imported $385 million in 1966, an increase of 54% over 1960. Duties on industrial and agricultural machinery are moderate and there are few import restrictions. Inter-Central American Trade has risen from $33 million in 1960 to $173 in 1966, with manufactured articles now comprising one-third of the trade. U.S. manufacturers can utilize this Fair, the only important one in the area, to effectively demonstrate and sell their products. **U.S. Commercial Exhibition, El Salvador International Fair. SAN SALVADOR. Nov. 9-30.**

Environmental test equipment. JAPAN. Japan—that dynamic newcomer to the front rank of industrial nations—is attracting worldwide attention to its amazing economic growth. The industrial advances being made by Japan have created a definite need for environmental test equipment. This market is estimated at $18 million now and should reach $25 million by 1970. Many segments of Japanese industry are just beginning to find a definite need for environmental test equipment. With a phenomenal growth of the Japanese aerospace industry, both in the production of foreign and its own design, together with the entrance into the missile and space fields, Japan's aviation industry is encountering test requirements that it has not had to meet heretofore. This growth as well as the growth in such areas as shipbuilding (world's largest), automotive production (second to the U.S.) and consumer products, dictates the need of still additional environmental test equipment. Call Area Code 202, 967-4511 for additional information. **Tokyo Trade Center. Nov. 11-16.**

Advanced medical equipment. JAPAN. Seven thousand Japanese hospitals offer an excellent market for U.S. medical equipment. Categories showing particularly high sales potential are electrocardiographs, biological electronic measuring instruments, monitors and telemeters, medical research and test equipment, medical radioactive measuring instruments, medical television and applications, data processing systems, bioelectro stimulators, and environmental hygienic devices. For additional information on how your firm can promote its products in this fertile market, call Area Code 202, 967-5622. **Tokyo Trade Center. Dec. 9-14.**

The following shows, in which all available display space has been booked, are still open for visits by interested representatives of the industries involved.

Space fully booked **Child care and medical equipment. THAILAND.** The rapid progress that has characterized developments in medical and health services and facilities in Thailand over the last decade is expected to continue unabated in the foreseeable future. Under the Royal Thai Government's Second National Economic and Social Development Plan (1967-1971) over $123.5 million in public funds are earmarked for expanded and improved health service facilities throughout the country. Spurred on by this substantial official input, Thai doctors and hospital administrators are actively seeking advanced medical equipment, supplies and techniques. The U.S. child care, medical equipment and supplies exhibition, scheduled specifically to coincide with a 5-day medical convention sponsored by the Royal Thai Government, offers a unique and highly favorable climate for the U.S. medical equipment and pharmaceutical trade to show and sell their latest offerings. **Bangkok Trade Center. Apr. 8-13.**

Space fully booked **Water pollution control equipment and materials. ITALY.** In common with other countries enjoying thriving industrial economies, Italy has many water pollution problems, and the programs being formulated to solve these problems create a market for the latest equipment and techniques relating to pollution control. In conjunction with the Milan International Trade Fair, F.A.S.T (The Federation of Scientific and Engineering Associations) will conduct a symposium at the fairgrounds on water pollution control with speakers from 9 countries. It is therefore extremely timely for the U.S. Exhibition to be held during this period at the Trade Center, located adjacent to the fairgrounds. **Milan Trade Center. Apr. 14-25.**

Space fully booked **Industrial process control equipment. SWEDEN.** There is a growing demand in Sweden for both electronic and non-electronic instruments and devices for controlling industrial processes. In its effort to stem rising manufacturing costs and to remain competitive in world markets, Swedish industry is utilizing a wide range of process control equipment, including instruments imported from the United States valued at more than $3 million annually. Although market potential extends throughout Swedish industry, the pulp and paper, cement, chemical and metal fabrication industries offer prime sales prospects for U.S. equipment. Among the products to be featured at the exhibition are electric, electronic and mechanical instruments and devices used in measuring, recording and controlling the variables of industrial production such as temperature, pressure, moisture, delivery and liquid level. U.S. firms exhibiting will have an excellent opportunity to reach the specialized, selective Swedish industrial market, to establish sales representation there, or to expand existing sales. **Stockholm Trade Center. Apr. 18-24.**

Space fully booked **Industrial security equipment exhibition. GERMANY.** Germany's phenomenal post war growth has created

America Weeks

America Weeks are overseas retail sales promotions of U.S. consumer goods.

Overseas retailers planning one of these promotions make their merchandise selections through overseas offices or agents of American manufacturers or through an appropriate U.S.-based buying office.

Announcement of each separate America Weeks promotion, along with the name of the related buying office, is made by INTERNATIONAL COMMERCE. In addition, Commerce's Business and Defense Services Administration is developing mailing lists by commodity categories of manufacturers and distributors interested in selling to overseas retailers.

Any U.S. organizations interested in supplying promotional material for this program are asked to give a brief description of the exhibition or demonstration, and to indicate the languages in which it is available.

Write: America Weeks, BIC-926, Department of Commerce, Washington, D.C. 20230.

Sample Displays

A Sample Display Center is just what its name implies—a place to show samples of U.S. products.

U.S. firms without agents in the area may use any Center to present their products to prospective local agents and distributors.

Centers are supervised by U.S. commercial officers at the embassies in the host countries. U.S. products and descriptive literature may be displayed without charge for 30 days.

For information on the Centers in Bangkok, Beirut, Manila, and Nairobi, **write:** Sample Displays, BIC-918, Department of Commerce, Washington, D.C. 20230.

For the Sample Displays at Addis Ababa, Melbourne and Hong Kong, **write** to the Commercial Attache at the American Embassy in Addis Ababa and the Consulate Generals in Melbourne and Hong Kong.

Mobile Trade Fairs

Mobile trade fairs are private business ventures designed to show and sell products of U.S. business and agriculture through traveling exhibitions carried in ships, airplanes, trains and exhibit vans.

Objectives of a mobile trade fair are to help U.S. firms enter the exporting field; to open new markets for American goods; and to assist U.S. business concerns in finding overseas agents.

The Bureau of International Commerce provides technical support and certain kinds of financial assistance to qualified mobile trade fair operators.

Write: Mobile Trade Fairs, BIC-926, Department of Commerce, Washington, D.C. 20230.

an excellent market for industrial security equipment. The growing import market for this type of equipment is currently estimated at $10-15 million. U.S. firms with sophisticated equipment will find prime sales opportunities by participating. **Frankfurt Trade Center. Apr. 22-26.**

Space fully booked **Analytical instrumentation for the life sciences. SWEDEN.** Currently importing about 30% of its analytical instruments from U.S. suppliers, Sweden will continue to be a promising market for American instrumentation. Budgets for research equipment for universities and colleges, which conduct research for Swedish industry, have grown from $6.6 million in 1964-65 to $8.1 million in 1966-67. Swedish manufacturers of such devices are not geared to offer the full range of such products. In 1966, Sweden imported more than $5 million worth of electric and nonelectric instruments for physical, chemical, photometric and acoustic measurement. U.S. industry supplied over $2 million of these import requirements. The show will feature a cross-section of the most advanced analytical instruments used in biochemical and biomedical research applications. The sales targets will include universities and colleges, research institutes, the food and chemical industries, hospitals, pharmacies and laboratories engaged in bacteriological analysis, behavior research, blood analysis and handling, chromatography and fluorometry, nuclear medicine, oxygen analysis, polarographic analysis and research data processing. A symposium and workshop series, to be held concurrently, will provide opportunity for an interchange of information of recent technological developments and research techniques between U.S. exhibitors and Scandinavian buyers and users of research instrumentation. **Stockholm Trade Center. May 6-10.**

Space fully booked **Advanced industrial valves, filters, pumps and compressors. JAPAN.** Japan's economy continues to surge forward on all fronts, and achievements in 1966 exceeded all forecasts. As one of the world's leading industrial nations, surpassing most European countries, Japan is looking for the newest and the best technology. Its industrial modernization and increased sophistication have paved the way for a clearly marked trend toward the increased use of advanced fluid, gas, and solids handling equipment throughout Japanese industry. Although the United States has a major portion of this important and lucrative market, American businessmen must continue to promote their products actively to meet increasing European competition. To ensure your share write now to obtain full details on how you may participate in this important exhibition. **Tokyo Trade Center. May 13-18.**

Space fully booked **Electronic production equipment, computers, instrumentation. UNITED KINGDOM.** Next to the United States, Britain is the free world's largest producer and user of instruments and electronic production equipment. With a rapidly growing European electronics market, presently estimated at over $9 billion, of which the U.K. market makes up $2 billion, and London the center of European Trade, especially electronics, the setting of the most successful Instruments, Electronics and Automation Exhibition is assured. The IEA Exhibition, held every other year, is the leading electronic design engineering event in Europe. A hard hitting market promotion campaign, tailor-made to each individual participant's desires, is already in motion. Book your space now, before the limited space is filled. **U.S. Commercial Exhibition. Instruments, Electronics, Automation Show, Olympia, London. May 13-18.**

Space fully booked **Papermaking equipment. ITALY.** The Italian market demand for papermaking machinery and equipment tops $30 million annually, and imports satisfy about 60 percent of this demand. The expanding production of paper and paperboard, which industry sources have conservatively estimated at 5% yearly during 1966-1969, and the necessity for continuous modernization to keep abreast of technological progress, make the Italian market a promising one to U.S. manufacturers in this field. Reports from Italy indicate that domestic demand has increasingly favored advanced and specialized American automatic, precision, and labor-saving papermaking equipment since there is some concern that rising labor costs and lagging technical development might lead to greater competition from imported paper products. **Milan Trade Center. May 15-21.**

Space fully booked **Instrumentation and chemical processing equipment. FRANCE.** The chemical industry is the strongest sector in the French industrial complex currently growing at the rate of 8.4% per year. By July, 1968, there will be no protective internal tariffs within the Common Market, so France urgently needs to modernize its chemical industry to get on a competitive footing with its European member partners. This year $408 million will be spent on new plant facilities, including the latest in automation and processing equipment available. By 1970 these investments are slated to reach $612 million. The CHIMIE trade fair in Paris is the biggest chemical show in Europe in 1968 and is an ideal medium to reach this dynamic market. Attendance tops 350,000 business visitors and almost 1,400 manufacturers exhibit. **U.S. Commercial Exhibition, Salon International de la Chimie, Paris. May 24-June 1.**

Space fully booked **Shipyard production and marine equipment. JAPAN.** Unprecedented growth, dynamic annual increases, incredible success are among the descriptions applied to the Japanese shipbuilding industry. The nation, the world's largest producers of vessels, from small hydrofoils to the world's largest ocean-going tanker, offers a prime market for all types of equipment. Currently, there is a 14.1 million ton backlog of vessel orders; this is an estimated two year production reserve. With expansion of existing facilities, increased capability is foreseen to handle more construction. Demand is expected to continue to be strong. Much U.S. hardware is still considered to be of superior quality and advanced design. In 1966 the United States supplied to the marine construction industry 50% of the advanced equipment and supplies imported into Japan. American shipboard equipment of all kinds—mechanical, electrical, electronic, pneumatic—as well as specialized machine tools, assembly and handling equipment, testing gear and supplies used at dockside, in workshops, in hulls, and on decks have been identified as having good sales opportunities within the Japanese shipbuilding industry. **Tokyo Trade Center. June 17-22.**

CURRENT BUSINESS DEVELOPMENTS IN BRIEF: The Wabash Magnetics Inc., of Wabash, Ind., has founded a **German** subsidiary in Duesseldorf, the Wabash Magnetics G.m.b.H. The parent company is a producer of high-voltage installations and accessories, which the new subsidiary is to sell in the German market. . . . Recently released official figures show that **Greece** had 15% fewer visitors in 1967 than in 1966. Foreign exchange from tourism decreased to $126.8 million from $143.5 million. . . . **Italy's** superhighway network continues its rapid expansion. Another 282 kilometers were added in 1967, bringing the total network to 2,337 kilometers. A total of 1,730 additional kilometers are under construction. In 1968 some 534 kilometers are due to be completed. Among the sections scheduled for completion this year: a 22-kilometer segment of the highway from the Mont Blanc tunnel to Turin, a short segment to connect Ivrea with the Turin-Milan autostrada, and a "beltway" around the western side of Milan. . . . In 1967 **Portugal's** aggregate imports increased nearly 3% to $1,041 million ($1,012 million in 1966); of this total, $76 million or 7.3% was supplied by the United States ($79 million and 7.8% in 1966). Last year, Portugal's world exports rose 13% to $708 million ($627 million in 1966), of which $69 million or 9.7% was shipped to the United States ($71 million and 12.5% in 1966). . . . Dry-dock facilities capable of handling ships of up to 200,000 tons are under construction at a cost of $10 million at El Ferrol; when completed, the yards will boast **Spain's** largest dry-dock facilities. . . . Target date for the construction of **Venezuela's** $225 million Caracas subway has been postponed from April to later this year. Congressional authorization is required by the President to contract the national and foreign loans by which this project will be financed. An airport with a runway out to sea will be constructed on the coast at Cabo Blanco, approximately 35 miles from Caracas, at an estimated cost of $70-80 million. The new airport will be able to handle expanding passenger traffic and new larger aircraft, with a minimum of noise disturbance and a maximum amount of flying facility and security. . . . A meeting of **Yugoslav** and **Italian** traffic experts recently discussed plans for a new four-lane divided highway to be constructed across Slovenia from Nova Gorica on the Yugoslav-Italian border to Sentilj on the Yugoslav-Austrian border via Ljubljana. The estimated cost of the project, to be completed in 1973, is $288 million.

Dutch continue to thrive while neighbors slump; inflation threat remains top economic problem

Industry productivity rose by 6% in 1967 despite European pause; Planning Bureau forecasts 3.5% real growth in GNP for 1968

Last year was a good year for the Dutch economy, especially when compared to the performance of its economic neighbors. Gross National Product grew by 4.5% in real terms according to the latest Economic Trends Report submitted by the U.S. Embassy in The Hague.

Industrial production rose by 5%, and construction by 11.5%; productivity in industry (including construction) was 6% higher.

Foreign trade, for which 1967 data are now available, was both a source and measure of the relative vigor of the Dutch economy. Exports increased by 8.2% while the increase in imports was held to 4.1%. These figures bear out the precept, cherished in Dutch official circles, that Dutch economic resources tend to be shifted into exports during periods of recession or slow growth.

While favorable weather conditions during the summer were a significant factor in this excellent record, the Dutch trade deficit would have been reduced even more had there not been such a surge of imports in December to avoid the additional 1-3% turnover tax which became effective on Jan. 1.

January imports also increased sharply, evidently because the figures include goods actually imported in December but not recorded until January.

Though it may be offset later in the year, the stockpiling of imports is evidence that a border tax increase of 1-3 percentage points can have a significant effect indeed.

The Dutch balance of payments in 1967 had a current account deficit of 355 million florins, 555 million florins short of what had been predicted and 1.5 billion short of what the Dutch consider desirable. Their target is a surplus on current account of 1% of GNP.

The current account shortfall seems to be mainly due to imports rushed in to avoid higher border taxes Jan. 1. On capital and current account (cash basis) there was a surplus of 155 million florins. For the future there is a new element of strength in the Dutch balance of payments in natural gas. The aggregate direct effect of 650 million florins for 1968 by trade in natural gas was more than double the figure for 1967, and was made up of 200 million florins from exports and the displacement of 450 million florins worth of imported fuels.

Tourism up

Two specific items relating to Dutch affluence and pattern of expenditures are of interest. More than 34,000 Dutch businessmen and tourists traveled to the United States in 1967, an increase of 20% over 1966. And in 1967 some 15,000 house trailers were sold in The Netherlands, a 25% increase over 1966. Dutch imports of house trailers in 1967 exceeded 10,000 units. A spokesman for the trade has estimated that by 1970 there will be 100,000 house trailers in The Netherlands, compared with 72,000 in 1967.

Unilever, the food and detergent giant, with 1967 profits of 712 million florins, was almost 13% over 1966. Royal Dutch Shell net revenue was 702 million florins, up 5%. Hoogovens' profits of 107 million florins were up over 30% from

1966 were a remarkable result in the iron and steel industry.

AKU (synthetic fibers) did less well, with a slight decrease in turnover and profits down 30% to 40 million florins for 1967. DAF, the Dutch automobile and truck producer, increased turnover by almost 20% to 500 million florins in 1967. Domestic sales at 20,500 units were up 60% and export sales at 31,500 units up 85% over 1966.

The Central Plan Bureau's 1968 forecast is for 3.5% real and 6.5% nominal growth. While it is true that CPB forecasts are descriptive rather than normative, Dutch fiscal and monetary and wage-price policy will be based on these benchmarks throughout the year. The harbingers are good.

Private consumption rises

At the end of February there was every indication that Dutch private consumption was continuing to climb in value (fastest), volume (slower), and per capita volume (slowest) shown in statistics through last November.

This is borne out by record sales of 21,087 automobiles in January, up almost 18% over January 1967, and by record tax receipts. At 1,782 million florins these were 16% more than January 1967; more than half the increase was in higher turnover tax receipts, in part reflecting increased tax collections on imports rushed in to avoid the additional turnover tax of 1-3% which took effect Jan. 1, but income tax receipts were up 6%, a clearly positive indicator.

The picture remains clouded by recurring news of factory closures, particularly in the textile industry, and by persisting unemployment in outlying areas. Numerous business mergers and growing industrial production while man-hours worked are stable or show a slight decrease are other indications that the Dutch economy is continuing to experience an efficiency squeeze.

Employment climate good

An encouraging sign in January was an increase in the registered demand for workers at employment offices. In absolute numbers demand increased by 1,100 to 56,400 workers; seasonally corrected, the increase was of 3,400 to a total of 66,500 workers. All in all, the statement this week by the Dutch counterpart of U.S. Secretary of Labor that he viewed economic prospects with cautious optimism seems a truly conservative view of things.

The U.S. balance of payments program, announced Jan. 1, has been welcomed by the Dutch Government and by Dutch trading and financial circles, even though the official expectation is that it will reduce Dutch dollar receipts from tourists by several ten's of millions of florins during the coming season. Concern about the effect the balance of payments program may have on business psychology in Europe and thereby on the Dutch fortunately is offset by signs that the German economy is gathering momentum, as well as by the reflationary measures being taken by the French Government.

THRIVING DUTCH ECONOMY owes much to the country's port facilities. The new harbor entrance at Ymuiden shown here will help make the port of Amsterdam accessible to 80,000-ton ships at all times.

The United States balance of payments program places the Netherlands in Schedule C, the countries in which as a rule (there is an exception procedure) no new direct United States investment will be sanctioned.

The decision of the Dutch Government to proceed with the reopening of their New York office to attract investment in spite of the balance of payments program has been explained by the consideration that the program will be temporary, that investment projects take months and years to bring to fruition, and that The Netherlands only recently has felt the consequences of the closure of the New York office several years ago.

Established United States firms should have no difficulty in financing new operations with funds raised locally, and the $100,000 exception is large enough to finance projects of interest to the Dutch authorities.

The most important domestic economic issue confronting the Dutch in 1968 is wage-price inflation. The-less-than-projected improvements in the 1967 balance of payments was the indicator that has been cited by political leaders as evidence of the need to restrain wage demands. It is typically Dutch that the balance of payments, rather than cost of living increases should be the basis for the call for action.

Steady growth continues

The Dutch record of sailing their relatively small economy on a steady course despite the erratic movements of their much larger German and British neighbors, has gained added luster during the past few months. Chances are good that external influences on balance will be favorable to Dutch interests in the months ahead. Instead of stop-go, there has been steady and gradual economic growth. Welfare standards continue to rise at the same time that a kind of automatic shake-out of business firms is taking place, and regional economic restructuring is proceeding.

As a result, The Netherlands continues to offer a good and expanding market for United States products, and an attractive location for many kinds of business investment.

to export heavily and maintain a rapid pace of development, since the range of

bitions at home, a beefing-up of the commercial branch of China's foreign service,

the easier projects are a thing of the past. The present level of development requires

Taiwan relies on imports

U.S. suppliers reverse three-year downtrend in share of import market

In real terms Taiwan's gross national product (GNP) has been growing at a gradually decelerating rate since 1964 but, at an estimated 8.9% in 1967, it was still very high and continues to provide an excellent market for imports of U.S. goods.

Japan, followed by the United States and West Germany, are Taiwan's major suppliers. The downward trend in the U.S. share of the market was reversed in 1967. By the end of the year it had risen to 36% of the total, while Japan's share had fallen to 38%.

Developments which promise a further rise in imports of U.S. commodities include the highly successful U.S. Industrial Machinery Exhibit which was held in Taipei in November—its principal impact should be felt in 1968 sales—and a $5 million credit by the U.S. Export-Import Bank to finance imports of U.S. machinery and equipment.

In addition, the Chinese Government is committed to a policy of gradual import liberalization. Recent steps include elimination, for the majority of importable machinery items, of the requirement that only end-users and factories may import machinery and equipment valued at more than $500. As a result, registered traders in Taiwan are able to carry warehouse stocks of a wide range of machinery for display, demonstration, and sale.

Trading firms importing machinery valued at more than $500 on behalf of factories no longer must obtain special approval from the Provincial Department of Reconstruction. In terms of delivery time, traders stocking U.S. equipment will now be better able to compete with Japanese sources, since Japan's advantage of geographic proximity has been lessened.

Also, the Foreign Exchange and Trade Commission (FETC) has shifted 31 items from the controlled to the permissible import list, thus permitting their import by end-users and traders merely through applying to the FETC for foreign exchange. Included in the 31 items are certain laboratory equipment, types of lumber, enameled ironware, tiles, asbestos, magnesium carbonate insulating tubes, and coal briquettes.

On May 6, 1967, the deposit requirement for import exchange settlements was reduced from 100 to 50%, thus encouraging imports through reducing costs to the importer.

The long-range objective of Chinese planners may well be a further reduction in the deposit requirement but, in view of increased protective measures under consideration elsewhere in the world since devaluation of the pound sterling, such reduction appears likely to be held in abeyance.

With Taiwan's relatively rapid ascension into higher levels of industrialization, demand for imports is likely to rise fairly fast in those industries requiring medium and heavy capital equipment and modern technology—such as petrochemicals, shipbuilding, metal working, vehicle and aircraft parts, precision instruments, machinery and tools.

Rapid changes in the structure of Taiwan's economy also point to increased sales opportunities for equipment and raw materials in the food processing and packaging, plastics, textiles, electric appliance, electronic component, pulp and plywood, light machinery, and electric power industries.

As local industry moves toward the manufacture of more advanced products there also will be a rising remand for the replacement and renovation of existing equipment. Further, since the Government has decided to accelerate the expansion of infrastructure, education, and the development of science and technology, a sharp increase is expected in the imports of construction equipment, utilities, cargo handling and transportation equipment and a wide variety of scientific instruments.

Japanese suppliers are well represented in the Taiwan market and are actively seeking business from the small as well as the medium- and large-scale establishments. The extension of a $150 million line of Japanese credit has also developed a built-in market for the Japanese supplier which requires that U.S. competitors work hard to compete effectively.

Transportation and communications remained one of the weaker links in the economy, particularly roads, harbor facilities, railways and telephone facilities. Plans for improving and expanding these facilities on Taiwan should offer export opportunities to U.S. suppliers of highway construction equipment, railway rolling stock, telephone equipment, cargo handling equipment, airport facilities, and the like.

Taiwan must import heavily if it wishes

RAPID INDUSTRIALIZATION has pushed the demand for imports upward in Taiwan, especially in industries needing medium to heavy capital equipment and modern technology, such as petrochemicals.

to export heavily and maintain a rapid pace of development, since the range of raw materials available on the island is limited. The extent to which the economy depends on foreign trade is indicated by the ratio of exports and imports to GNP; by 1967 it had risen to more than 40%.

Total trade reached $1.5 billion in 1967; an increase of 26% over 1966. Exports increased by 15% to $669 million and imports by 37% to $826 million, according to highly preliminary estimates of the Foreign Exchange and Trade Commission (FETC) based upon foreign exchange settlements.

These data show that the trade deficit rose to $157 million; the highest for Taiwan in the post-war period. But, insofar as Government foreign exchange receipts and expenditures were concerned the balance of trade showed an export surplus of $26 million, principally because of a substantial increase in financing related to foreign and overseas Chinese investment projects, foreign loans and privately-owned exchange.

Financing from Government-owned foreign exchange totaled $625 million, while pipeline U.S. AID arrivals accounted for $32 million. Data on intangibles and transfer payments are not yet available, but the net capital inflow, according to official estimates, resulted in a 23% build-up to a total of over $410 million in the international liquidity of Taiwan; an amount sufficient to support about six months of imports at last year's very high level.

Island diversifying exports

Major markets for Taiwan's goods are Japan, the United States, Vietnam, West Germany and Hong Kong, in that order. The island is diversifying its exports into an increasingly wider range of sophisticated semi-finished and finished products, but Taiwan-made goods are also finding their way into new geographic areas. Of particular interest is the fact that the 1967 increase in Taiwan's exports depended only to a limited extent on direct sales to Vietnam; well under one-tenth of last year's increase in exports can be attributed to demand from that source while in 1966 it accounted for about one-half of the rise.

Among Taiwan's major exports to the world are plastic fabrications, plywood and wood products, textiles, canned foodstuffs, chemicals, construction materials and handicrafts. Electronic equipment is becoming increasingly more important in the export picture.

More intensive efforts to promote exports, including trade missions abroad, participation in international fairs, exhibitions at home, a beefing-up of the commercial branch of China's foreign service, and more vigorous export promotion campaigns either are under way or in the works and should help insure expansion of Taiwan's trade at a respectable pace, assuming liberalization trends in international trade are not reversed.

Government sources predict some deceleration from year's 15% export increase. This prediction follows principally from uncertainties surrounding the international monetary scene, and a fear that the current year will be marred by a recession in international trade, in part provoked by increased restrictions elsewhere in the world.

Industrial production up

Taiwan's industrial production was up 17% in 1967, compared with 14% in 1966 and a planned rate of increase of only 11%.

The remarkable performance in industry took place despite electric power shortages which intermittently disrupted the output of several industries throughout much of the year.

The domestic market remains relatively limited, but improvements in purchasing power have been significant. For three consecutive years annual per capita real income, which is one of the highest in the region, has been rising at an accelerated rate; up 5.8% in 1967, it totaled the equivalent of $209 per person, annually. A falling growth rate for population is, in part, responsible for this trend.

A higher savings ratio as well as a distinct trend towards the consumption of more durable consumer goods is indicated by the personal income pattern.

Aside from the question of exports, which will be the predominant factor in the overall 1968 growth rate, other factors which may slow down the rate of economic expansion are the need to allocate more resources to the improvement of infrastructure, and the costs of more advanced types of production.

Improvements in infrastructure have lagged to the point where further delays in investment may well prove detrimental to the pace of economic development. For that reason the Government has indicated that considerably more of the nation's resources are to be devoted to the improvement of education, science, ports, harbors, transportation, telecommunications, civil and sanitary engineering projects and the like.

Capital outlays on such projects are urgently needed, but the costs will be heavy and the returns will not be immediate.

As for the island's industries, many of the easier projects are a thing of the past. The present level of development requires more sophisticated industries which, in turn, require heavy capital outlay, advanced technology, improved managerial skills, and a highly trained labor force. Once again progress in such matters will cost more, and the returns will take longer to gather.

Last year's exceptionally fast buildup in foreign exchange holdings led to an increase in money supply (up 27%) which greatly outstripped real growth in GNP (up an estimated 8.9%), and the normal monetization requirements of a developing economy (estimated at 3 to 5%).

The rise in money supply appears to have been excessive even though there was some decrease in its velocity and it failed to spill out, generally, over the nation's price structure. Prices, remarkably stable over the past few years, showed a tendency to move upward at a somewhat faster pace, but the movement was both relatively moderate (2.5 to 3.4% on the official indices) and well within manageable range. Some of the largest price hikes—most notably those for foodstuffs and construction materials—were related more to temporary shortages in supply than they were to any inflationary threat.

The greatly enlarged income stream was largely neutralized by last year's record-high import surplus and by heavy speculation in land. The latter resulted in rapidly inflated real estate values but added nothing to the economy.

Deceleration expected

Some decelerating influence in the supply of money in circulation is expected to develop from a slowdown in the growth rate for exports as compared with imports. In part, this deflationary influence may be offset by increased deficit financing to support greatly enlarged Government programs principally in the fields of education, science, infrastructure, and the military.

If increased deficit financing should occur, and if inflationary pressures were to develop as a consequence, steps would probably be taken to exercise restraint over the extension of credits to the private sector, a move which would have a dampening effect on the overall rate of economic growth. This potential problem is medium-term.

At the moment, however, despite the greatly enlarged supply of money in circulation, there is no reason to believe that the next year will not continue to be characterized by stability and development.

SPECIALIZED U.S.-MADE MACHINERY still enjoys good sales in Finland, despite competition from other major equipment suppliers. Finnish plant shown here uses U.S. numerically-controlled tools.

Inflation is top Finnish problem; U.S. subsidiaries in Europe supply imports formerly 'Made in USA'

Poll of businessmen reveals no hope for upturn before end of year; November devaluation has increased attractiveness of U.K. goods

By ROBERT G. KEMP
Commercial Attache,
U.S. Embassy, Helsinki

By all indications 1968 will be a year of economic uncertainty for Finland, with attention focused on the battle against inflation.

The growth rate of industrial production was slower in 1967, amounting to only a 3% rise above the 1966 volume. This was due to increased export marketing difficulties of forest industry products, contraction in the building materials industries as well as a slackening in the growth of the textile and shoe industries.

The real gross national product is estimated to have grown by only 2.5% in 1967, about the same rate as 1966. *Building activity*, a critical economic indicator, has reached a new low and is adversely affecting the labor situation. Unemployment is at an all-time high.

Some improvement was achieved in the trade deficit, which was approximately 560 million marks at the end of 1967. Negative factors in the terms of trade had an adverse effect on attempts to restore equilibrium. Import prices were on the average about 5% higher than in 1966, while export prices remained practically unchanged.

Despite the generally slow business outlook at the low point of mid-winter business activity, there is hope that 1968 will see the end of the doldrums. Uncertainty and caution are probably two words best used to describe the Finnish businessman's appraisal of the next ten months. Factors such as rising prices and labor costs, price control and export levies overshadow many business expansion plans.

A recent poll of members of the Federation of Finnish Industries revealed differences of opinion on what the future holds for some of the key industrial sectors.

Over two-thirds of the firms interviewed report an excess of production capacity. The chemical industry looks for little change, whereas the metalworking industry expects an upswing in business. The foodstuffs, textiles and paper products industries are generally pessimistic.

On the whole there is less optimism than prevailed at the beginning of 1967 as far as estimates of new orders for 1968 are concerned. If new orders can be used as a thermometer, according to the Federation of Finnish Industries, an upturn in the business cycle cannot be foreseen before the end of 1968.

Capital in short supply

Shortage of capital and inability to borrow investment funds at reasonable rates are important factors in Finland's economic difficulties. Businessmen fear that the restrictive measures on lending and investment announced by President Johnson may have a restraining effect on the already tight European money market.

In spite of the strains on Finland's economy the country has continued to fulfill its commitments, as a member of both European Free Trade Assn. (EFTA) and the Greneral Agreement on Tariffs and Trade (GATT), in freeing foreign trade.

In conjunction with the devaluation of the Finnmark, Finland abolished two years ahead of the schedule duties on many items for which it had been authorized a slower rate of reduction under the terms of the Finn-EFTA agreement.

On Jan. 1, 1968 quantitative restrictions were removed from a wide range of industrial goods. Motor vehicles, certain prepared foods, textiles, clothing and other items formerly under global quota restrictions have been liberalized for the United States and other multilateral trading countries.

Except in the area of foodstuffs, most American trade with Finland can be considered liberalized. It remains to be seen what effect the Finnish and British devaluations will have on the future growth of direct Finnish-American trade.

Although import quotas on automobiles have been eliminated, the new duty and tax structure, quite apart from higher operating costs for gasoline and insurance, continue to limit sales prospects for all but the lightest and cheapest American cars. The partial withdrawal of a tax rebate for taxis has sharply reduced sales

prospects for American cars used as taxis.

The Finns believe that they will restore equilibrium in their balance of trade and strengthen their foreign exchange reserves in 1968. They even hope to transform this year's trade deficit into a slight surplus. A 6-7% increase in the volume of exports is talked about. At the same time there is hope that imports will be held down to present levels.

Underscoring the importance the Government places on export expansion is the creation of a special department in the Ministry of Commerce and Industry to be charged with developing new markets for Finnish goods. As an initial export promotion effort, the conversion of one of Finland's new luxury ferries into a temporary floating showroom to be anchored in the Port of London is planned for this fall.

Although still officially interested in attracting foreign investors, Finland has yet to work out an attractive program to outweigh some of the geographic and market disadvantages of investment in Finland. It is nevertheless interesting to note an increasing interest on the part of American firms in setting up shop in Finland.

In the past year there have been a number of serious investigations on the part of American firms looking toward investment. Three large American firms in the fields of packaging materials, detergents, and industrial controls recently established sales and service subsidiaries.

Under the recent American program for restrictions on investments. Finland has the advantage of being classified as a developing country. Interest in establishing contact points here for eventual sales activity in the Soviet market continues to grow.

Investment growth small

Total investment has shown little real growth over the past year, and building construction actually showed a downward curve in 1967. U.S. exports, which are normally made up heavily of capital goods, have continued to decline in terms of total Finnish imports.

Last year the American share accounted for 4.9% compared to 5.6% in 1966; however, the trend toward purchasing American-brand equipment from EEC and EFTA domiciled subsidiaries and licensees of American firms is increasing. This can be observed across the board, from food items to office machines, construction equipment and machine tools.

Importers, who now must pay almost a third more for their foreign exchange, are looking for products, preferably from the United Kingdom, which have the benefit of EFTA preference as well as lower prices due to devaluation.

As a buyer of Finnish goods the United States dropped from 6.4% in 1966 to 5.8%.

Results of a recent informal survey by the U.S. Embassy indicate that, in the field of heavy construction and roadbuilding equipment, individual American manufacturers are supplying up to 95% of the Finnish market with machinery from their European plants.

For instance, in the case of two prominent suppliers, the only machines that now come from American factories are the few highly specialized or outsized models for which European demand is so limited that it does not pay to manufacture outside the United States.

Important American machine tool manufacturers all have production facilities in either EEC or EFTA countries, or both. Numerically-controlled equipment is an exception and is generally sent out complete from the American parent company. Materials handling equipment, another traditional preserve for American products, still carries the well-known American brands, but the country of origin is now West Germany, Belgium or the United Kingdom.

The arithmetic is very simple. To take an example from a high-volume consumer product, one can look at the recent introduction of a food wrap. The American product carries a relatively high freight rate plus an import duty of 25%. The same product from the United Kingdom costs less for freight, enters Finland without duty and has the additional advantage of the pound sterling's devaluation.

The Finnish agent for a well-known American car-care line has reduced his 1968 sales target by 40% because of his inability to compete with an American rival product manufactured in Britain.

Machinery market still good

In spite of the loss to European subsidiaries of many big equipment items, Finland is still a worthwhile market for specialized American-made machinery and equipment. New and revolutionary items in the fields of process and quality control, materials handling, packaging and industrial fasteners, to name only a few, will continue to have sales possibilities.

An American firm recently introduced new and sophisticated equipment used in quality control in the plywood industry. It has met with considerable interest and there are good prospects for the development of business. The firm has a resident technical salesman working the market.

As competition for an increased share of this relatively static market increases, the importance of close customer contact and service will grow.

Sponsored by the Department of Commerce, the United States exhibition at the Helsinki International Trade Fair in September will feature American industrial equipment, instruments and process control equipment. This biennial industrial event should provide an excellent opportunity for American exhibitors through their Scandinavian agents to take advantage of Government and industrial effort toward rationalization and eventual automation.

UP TO 50% OFF!

Tariff cuts of up to 50% are being made by 38 foreign countries* as a result of the Kennedy Round. To find out if tariffs were cut on your products, send a complete product description (including Schedule B Export Commodity Numbers, if known) and a list of the countries that interest you to:

OIRE Kennedy Round Service
Bureau of Int'l Commerce
U.S. Dept. of Commerce
Washington, D.C. 20230

*** Argentina, Australia, Austria, Brazil, Canada, Chile, Czechoslovakia, Denmark, Dominican Republic, EEC (includes Belgium, France, Germany, Italy, Luxembourg, and the Netherlands), Finland, Greece, Iceland, India, Ireland, Israel, Jamaica, Japan, Korea, Malawi, New Zealand, Norway, Peru, Poland, Portugal, South Africa, Spain, Sweden, Switzerland, Trinidad & Tobago, Turkey, United Kingdom, and Yugoslavia.**

Austerity ahead for Uruguayans as inflation hits record level; devaluation doubles import costs

Loans from international agencies support new economic policy; Government's development plan offers best chances for U.S. sales

This will be a difficult year of belt-tightening and austerity for Uruguay, as the Government proceeds on its announced policy of putting its economic house in order.

Uruguay today is beginning to implement major stabilization and development programs developed over the last four months, designed to reduce the rate of hyper-inflation in 1968 by one-half its 1967 rate and to reverse the declining trend in economic growth. These are the conclusions contained in a recent Economic Trends Report submitted by the U.S. Embassy in Montevideo.

Following increases in the official Montevideo cost-of-living index of 90% in 1965 and 50% in 1966, the cost of living index rose 136% in 1967, and in January of 1968 jumped another 11-15%.

Reflecting in large part decreased agricultural production resulting from the worst weather conditions in half a century, foodstuffs have shown the highest increase. Because of delayed price rises of some imported items such as petroleum products following the major Nov. 6 devaluation (the prices are set by administrative decision), the expected February increase may have equalled or exceeded January's. Barring unexpected developments, however, the rate of price increases is expected to slow down after February.

Inflation's causes

The high rate of inflation in 1967 was principally due to a Government cash-budget deficit equal to about 23% of total expenditures, financed by borrowing from the Central Bank, and extremely adverse weather conditions which lowered agricultural production by at least 17% from the previous year's levels.

Faced also with falling foreign exchange reserves and a need to meet foreign debts, the Government on Nov. 6 devalued the peso from 99 pesos to 200 per U.S. dollar. This major devaluation caused many imported goods to double in price almost immediately, and also prompted secondary price increases in many domestically produced goods.

Although in current pesos estimated gross national product (GNP) rose from 101 billion pesos in 1966 to 175 billion pesos in 1967, GNP in real terms adjusted for price increases fell an estimated 5%.

Agricultural production had an especially bad year. Long periods of drought followed by freezing weather, heavy rains and floods, combined with a lack of agricultural credit and the long delayed announcement of support prices to produce an almost across the board decline in agricultural production. Production of cereals and linseed was about 50% lower than 1966. Wheat production fell from 329,000 metric tons in 1966 to 147,000 tons in 1967. (The resulting wheat shortage is being met by a 60,000 ton wheat loan from Argentina and PL 480 Title I dollar wheat purchases from the United States of up to 200,000 tons.) Only rice production in irrigated land increased: from 107,000 metric tons in 1966 to 116,000 tons in 1967. Livestock production declined due to the adverse weather, reducing meat and wool production.

Industrial production, dependent to a great degree on imported raw materials, fell some 4% as the high rate of inflation sharply cut real incomes. Gross investment in 1967 is estimated at 10% of GNP, down from the 12-14% rate in recent years. Since depreciation represents a high percentage of total gross investment, net new investment may have been as low as 1-2%. Of this amount, it is believed that a large percentage was channelled into the construction of private housing, largely in resort areas.

Largely due to the declines in real incomes, retailers of consumer durable goods, and, to a lesser extent, of soft goods and textiles as well, report that the physical volume of sales decreased in 1967. While sales volumes in current pesos were increasing, price increases and the accompanying devaluations increased faster than wages and salaries, forcing consumers to cut back on purchases, especially of more expensive items such as consumer durables. A number of retailers report that inventories are high, and, in the extreme case of consumer durables, equal to one to two years of present sales volume.

Many factories have reduced their labor forces and some are considering shutting down for various periods when the tourist season, with its accompanying increase in sales, especially of textiles, ends in March.

The major devalution of Nov. 6, 1967, resulted in some increases in production for export, such as cement to Brazil, but the future of such exports is largely dependent on the government's success in reducing the rate of domestic price increases.

Exports down, imports up

Exports in 1967 totaled $158 million, nearly $28 million below the previous year, reflecting in large part the impact of the decreased agricultural production on wool, meat, and foodgrain exports.

Imports exceeded $171 million, somewhat above the artificially low and tightly controlled import levels of the previous two years.

Foreign exchange reserves fell from slightly above $190 million at the end of 1966 to below $180 million by the end of Oct. 1967. Over 70% of the reserves consists of gold, half of which has been pledged against foreign debts.

Following the major devaluation of November 6, there was a large inflow of foreign exchange as funds held abroad by Uruguayans were repatriated. During November and December, the Government made payments in excess of $25 million on its foreign indebtedness, in line with its policy to pay punctually its foreign debts. Even with these payments, however, it is believed that foreign exchange reserves increased somewhat by the end of 1967 from their October low, and are estimated to have been about $175 million at the end of the year.

During 1968, exports may not greatly exceed their low 1967 level. While wool markets have improved, the decreased wool production in 1967-68 will not permit substantial increases in wool exports. A two-month ban on cattle slaughter in October and November provided some opportunity for herds to be built-up. Uruguay currently has available for export 17,000 tons of chilled and frozen meats, but has encountered difficulties in finding remunerative markets for its meat exports. A good grain harvest late in the year may yield enough for export, but most of these exports will not be made until 1969.

Tourism is increasing, and Uruguay may earn over $50 million from its current tourist season, which will be largely concluded by March.

Imports in 1968 are expected to increase, possibly exceeding $190 million. The increase in imports, however, is expected to be financed by foreign borrowing, such as the recent PL 480 sale of $19.2 million.

During 1968, however, Uruguay is scheduled to repay over $80 million on its foreign indebtedness which currently exceeds $400 million. It is planning to refinance a portion of this indebtedness over a longer period, and will be relying principally on borrowings from the International Monetary Fund to make up most of the remainder. Under its financial stabilization program, the Government is planning, by maintaining a realistic rate of exchange, to improve its net foreign exchange position by $30 million during 1968.

Government policy changed

Faced with a steadily deteriorating economic situation, the late President Gestido on Oct. 23 announced a dramatic change of economic and financial policies which also involved a cabinet reshuffle. He called for the adoption of a realistic exchange rate policy to adequately remunerate the key agricultural sector of the economy, to increase peso tax revenues, and to stimulate investment and production.

Strongly emphasizing that Uruguay needed external assistance if the stabilization program was to lead to economic growth, the president reversed the Government's economic policy of multiple exchange rates and direct import controls and said he would reopen negotiations with the International Monetary Fund, the IBRD, the Inter-American Development Bank, and the Agency for International Development. He called for the acceleration of commercial agreements with all nations, including the Soviet Union and the socialist countries of Eastern Europe.

As a first step in implementing the new economic policy, on Nov. 6 the Government devalued the peso from 99 pesos to 200 per U.S. dollar.

As a result of the policy change, the Government is attempting to increase external assistance. In January the IMF granted $9.5 million compensatory export credit, and a $25 million Standby Agreement was approved Feb. 28.

The Inter-American Development Bank (IDB) recently approved a $6 million loan to ANCAP (the Government-owned petroleum, alcohol and cement conglomerate) for a new cement plant in Paysandu and to the government-owned potable water distribution agency for a $4.4 million loan to augment rural water supply distribution systems.

The IDB is also studying several additional possible loan projects, including equipment for the port of Montevideo, rural electrification, and additional road improvement. In addition, the Government hopes to provide counterpart funds for some $20 million of loans previously granted by the IDB for housing, industrial development, sewers, and roads.

The United States in January signed a $19.2 million PL 480 Title I dollar sales agreement for wheat, corn, and sorghum, to supplement domestic production lost because of bad weather. Most of the estimated 3.8 billion pesos in counterpart funds created by the sales of these imports to the public will be used to finance public investment projects.

In February, the AID Mission signed a $775,000 loan for airport modernization and authorized a $15 million Agricultural Sector Loan to encourage rapid increases in the production and export of certain agricultural crops. The loan will be used to purchase $7 million of agricultural machinery, equipment, seeds, and pesticides and $8 million in general imports. The pesos generated from the sale of the imports will be used for short and medium term agricultural credit.

In addition to the above loans, fertilizer imports financed from a $5 million AID loan signed in 1966 are expected to begin arriving soon. Disbursements on existing IBRD loans are expected to continue with an estimated $6 million to be drawn down on a loan for livestock improvement and $9 million on a loan for highway improvement.

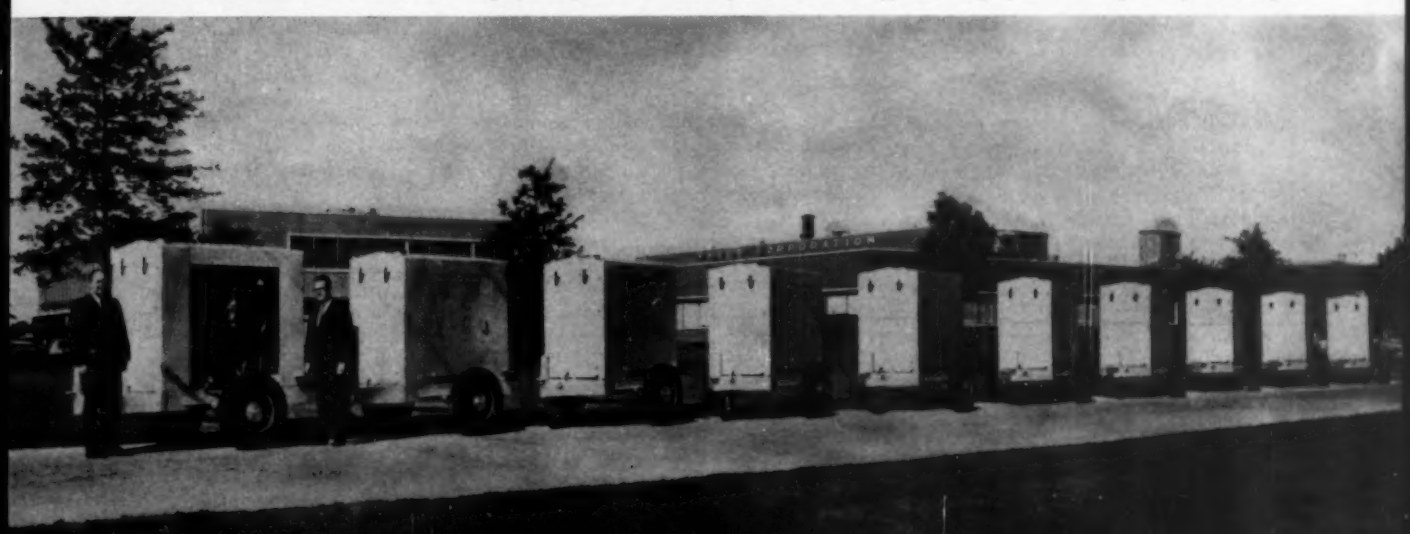
Government's plans

In its attempt to cut the inflation rate in half in 1968, the Government plans to: hold budget expenditures to a minimum while increasing tax revenues, thereby reducing the cash budget deficit from 23% of expenditures to 7%; import essential foodstuffs; gradually reopen imports including limited imports of highly taxed consumer durables; take action against speculation and hoarders; and establish additional price controls.

The Central Bank, which was formed in March 1967, is expected to exert increased control over domestic credit, attempting to channel increased credit to the productive sectors while reducing credit to the commercial sector or for speculative purposes.

The 1968 Program Budget calls for expenditures of 56.5 billion pesos, the largest in history and about 133% higher than 1967. (Expenditures include 7.5 billion for the subsidy fund and 5.2 billion for the investment fund). Salaries and fringe benefits, which include a 60% salary increase effective in January 1968,

DEVALUATION HAS DOUBLED THE COST of most Uruguayan imports. These steam generators were shipped to Uruguay from the Vapor Corp. of Chicago.



are projected at 32.5 billion pesos, including 1.4 billion in retroactive pay.

Revenues are estimated at 45.5 billion pesos, including some 8 billion pesos from export taxes and about 4 billion pesos in import taxes from the partial reopening of highly taxed imports, largely passenger cars. To hold down expenses, President Pacheco Areco has issued decrees prohibiting Government Ministries and autonomous agencies from hiring new personnel or paying overtime without the prior approval of the Finance Minister and has set up a watchdog committee to keep tabs on budget expenditures and revenue.

Revenues in January are reported to have been nearly three times the level of January 1967. While much of the increase was due to the high rate of inflation in 1967, tax collection administration also appears to have significantly improved.

An expanded price control program has been drawn up but has not as yet received the approval of the President. It is expected that emphasis will be placed on controlling the prices of basic foodstuffs.

Public sector wages were increased by an average of 90% in January 1967 and 60% in January 1968. While public sector wage increases have lagged behind increases in the cost of living, the government's stabilization program calls for no additional public sector wage increases during 1968.

In the private sector, most organized labor wage contracts call for raises at least equal to increases in the cost-of-living index, with most wage contracts adjusted on a six-month basis and with some adjusted every three months. Such contracts sharply decrease the efficacy of devaluation as a means to increase exports by reducing production costs.

The government and most employers are seeking to break the automatic link between increases in the cost-of-living index and wage hikes and to lengthen the period between wage adjustments to one year. Until the inflation rate is sharply reduced, however, labor can be expected to be extremely reluctant to agree to changes in their present agreements, with the possibility that work stoppages will again occur in both the public and private sectors. With the physical volume of sales declining, many employers will be more inclined to accept work stoppages than to grant wage increases in the full amount of the increase in the cost-of-living index.

The Government's short-run development plan calls for a substantial increase in agricultural production in 1967.

With the relatively small market offered by its 2.8 million population and its recently declining but relatively high per capita GNP of less than $600, Uruguay does not offer major opportunities for U.S. exports or investment. U.S. exports to Uruguay have averaged about $20 million in recent years and private foreign investment has been reluctant to enter, given the financial uncertainties. The Bank of America, however, is planning to purchase a small Uruguayan bank and begin operations here. (Currently the First National City Bank is the only U.S. bank with a branch in Uruguay).

Within this framework, however, opportunities for U.S. exports of capital goods and raw materials should increase as the development plan is implemented. As Uruguay gets its economy moving, and begins to utilize foreign loans at a more rapid rate, opportunities will develop for U.S. exports, especially for agricultural equipment and raw materials, since emphasis is being placed on increasing agricultural productivity.

Suppliers credit will play a key role in expanding U.S. exports of capital goods, especially to the private sector. Under the stabilization program, credit to the private sector will be relatively tight while continued price and wage increases will increase operating capital requirements. Attractive credit terms are being offered by Western and Eastern European countries, as well as by Argentina and possibly Brazil. To meet the competition, U.S. exporters will also need to adopt liberal credit policies.

Increased tourism could mean more business for U.S. carriers and travel agencies. With Americans urged to reduce travel to Europe, tours to Brazil and Argentina with Uruguay included could be an attractive alternative. With many fine beaches, inexpensive and good food and wines, casinos, and established resort areas, this Rio Plata nation could be a haven during cold U.S. winters. While tourist facilities are generally heavily booked during the height of the season, January and February, with tourists from neighboring Argentina, Uruguay is eager to attract more tourists.

Because of its recent difficulties in finding markets for its meat exports, Uruguay is increasingly adopting a "we will trade with those who trade with us" attitude. This policy might offer opportunities for foreign subsidiaries of U.S. companies in those countries which conclude trade or suppliers credit agreements with Uruguay. Recently a U.S. subsidiary in Spain was able to take advantage of this policy and signed a contract to supply telephone equipment and cables to the government-owned telephone company.

Congo Government aims to stop inflation, stabilize economy

Goals set last June in IMF program have been largely met; balance of payments situation shows definite improvement

The outstanding feature in the Congolese economy remains the effort to stabilize the economy by ending the persistent inflation which has plagued the Congo since independence. The monetary devaluation and stabilization program launched last June 24 under International Monetary Fund auspices introduced a series of wage, credit, budgetary and balance of payments measures designed to put the economy on a sound basis.

The latest Economic Trends report submitted by the American Embassy in Kinshasa goes on to pose the following questions—to what extent have the reform guidelines been observed, and to what extent has the program had the desired effect on the economy?

Wages, including allowances, have been allowed to rise only 25% since the reform was initiated. Since total increases of 40% are permitted under IMF guidelines for the 18-month period ending December 1968, another 15% wage increase in both the private and public areas will be authorized, probably within the next month or so.

Bank credit ceilings were set and are being maintained at 20 million zaires, and the provision that there will be no increase in the government's net debt to the banking system has also been respected.

Price levels have risen approximately 90% since the reform was announced. A 100% increase was anticipated by the reform strategists before a leveling off was achieved. Thus price rises have to date not been out of line with prereform projections, assuming a leveling off occurs fairly soon.

In the most critical area, that of public finances, developments have been fairly encouraging. A 10.4 million zaire (1 zaire = US $2 = 1,000 old Congolese francs [CF]) deficit during the eight months preceding the reform gave way to a 1.2 million zaire surplus during the eight months following the reform. The surplus resulted from higher customs duties, unusually favorable prices for copper exports, and government efforts to restrict certain expenditures.

Expenditure levels since the reform are running considerably higher than foreseen in the 1968 budget—at the rate of 11.8 million zaire per month as compared to 9.5 million projected in the 1968 ordinary budget. However, receipts are also running much higher than foreseen and are sufficiently high to cover both expenditures and allocations for the investment budget.

Payments balance better

The balance of payments situation also showed marked improvement. Imports declined by $40 million during the second half of 1967 over the first half. At the same time export earnings, largely from copper exports, rose sharply to an estimated $260 million. Full-year 1967 exports totaled about $428 million.

The Congo Government also adhered to the agreed policy of liberalization of imports although certain invisible transactions are to be liberalized only at a later date. Repatriation of profits will be allowed beginning with profits accruing during the latter half of 1968.

Also, the free market rate has generally remained within 15-25 percent of the official rate, much closer than prior to the economic reform. Since June 24, foreign exchange reserves have slowly but steadily increased from minus $6 million on June 23 to $136 million on Feb. 29, 1968.

More than eight months after the stabilization program was announced, progress has been good. Reform guidelines have not, with only a few relatively minor exceptions, been violated. The most encouraging aspect in all this has been the determination which government authorities have shown in sticking to their pledges. Thus, while all the returns are not yet in, performance to date gives grounds for cautious optimism that the stabilization program will be carried to a successful conclusion.

The spring months of 1968 should reveal whether the reform will produce the desired effect. At present there is reason to hope that, if the political quiet which has prevailed since the mercenaries left the country in December continues, and assuming reform guidelines continue to be observed, 1968 could easily be the best year for the Congolese economy since independence.

Not long after President Joseph Mobutu assumed power in November 1965 he introduced his campaign for "economic independence." This comprised an effort to restrict the influence of foreign-owned and foreign-run enterprises in the Congo. It also attempted to interject the government more directly in the functioning of the economy, particularly the private sector.

These actions, announced during the course of 1966, included legislation to nationalize all insurance operations, requiring all property owners to reapply for their concessions, a 10 percent levy on all mineral production, the establishment of all company headquarters in Kinshasa. This campaign was climaxed between December 1966 and February 1967 by the government's takeover of the largest enterprise in the Congo, the Belgium-based Union Miniere du Haut Katanga (UMHK).

Since that time, government moves against foreign businesses and personnel have slackened. There is in fact considerably more confidence regarding the Government's intentions and attitudes toward private enterprise than was the case one year ago.

The pendulum even began to swing back recently when the Government took steps to replace inefficient management in two parastatal organizations, Societe Generale Congolaise des Minerais (GECOMIN—successor to UMHK) and Regidesco (water and power). In these moves foreign management groups were given clear authority to take whatever measures necessary to have these firms operate efficiently.

These two actions are indications that the Government appreciates more than ever before that the Congo's fairly advanced economy will require skilled expatriate managers and technicians for some time if the economy is to function smoothly and to grow. This attitude plus the Government's determination to carry out the politically unpopular monetary reform are good signs that it means business about restoring stability in the economy.

Copper exports increased 3,000 tons to 318,500 tons in 1967 and palm oil, rubber, coffee and cocoa exports increased substantially (about 20 percent) in volume and value.

Other developments worth noting are as follows:

- 1968 has been designated the "Year of Agriculture" in an effort to increase agricultural production;
- Trade with Communist countries was practically nil, but increased commerical, technical and scientific contacts are anticipated as a result of recent or expected missions from Czechoslovakia, Poland, Romania, Yugoslavia and Bulgaria;
- Progress was realized on the Inga Dam hydroelectric project to be located at the Inga plateau on the Congo River about 80 miles from the Atlantic Ocean. The first phase, which will provide an additional 150 megawatts for the capital and Bas Congo areas, is expected to be completed by 1972 or 1973, with Italian and Common Market assistance;
- A Japanese firm, Nippon Mining Company, has obtained rights to prospect for copper and other metals in a large concession area in the southern Katanga;
- Brittmans, a de Beers affiliate, opened a purchasing office to purchase industrial diamonds and gem stones legally produced by the MIBA company as well as continuing negotiations to purchase diamonds fraudulently dug and smuggled out of the country;
- The Italian-built refinery at the mouth of the Congo River was dedicated in November, and is expected to go on stream shortly. Arrangements for throughput, pricing and distribution have yet to be worked out between the government,

CONGO GOVERNMENT MEANS BUSINESS in its efforts to restore economic stability, and increased copper exports last year are a healthy sign that it will have the means to implement its programs. This is part of a Gecomin copper plant in Katanga.

the Italians, and the four distributing companies, two of which are American (Mobil and Texaco);

- Foreign aid remained at approximately 1966 levels. During the mercenary crisis there was considerable concern that Belgian technical assistance would be completely withdrawn. However, 1,135 Belgian TA teachers and technicians are expected during the present school year, representing only a 30 percent reduction over the previous year;
- An International Bank for Reconstruction and Development (IBRD) team has recently completed a month-long survey of the economy in an effort to identify projects worthy of IBRD support. Indications are that several projects in the transport and agricultural sectors as well as cooperation in the establishment of a development bank will be examined closely;
- Air Congo further relaxed its ties with the Belgian airline Sabena. It also acquired one medium-range jet and wet-leased two others for its international routes;
- A government-organized retail outlet for foodstuffs and other items, the Economat du Peuple, was launched late last year in an effort to keep food prices down; and
- The state-backed insurance organization, SONAS, moved ahead with its plans to assume all insurance operations in the Congo. As yet SONAS has been unable to find co-insurers and re-insurers here or abroad and is thus assuming a very high risk burden.

A senior Congo Government official, in thanking Vice-President Humphrey (during the Vice-President's recent trip) for the $360 million of American aid to the Congo since 1960, pointed out that an even more important phase in the close relationship between the two countries should now begin.

By this he meant the development of greater U.S. public and private investment in the developmental requirements of the Congo as emergency aid diminishes. Return to economic and political stability should encourage private investors to examine closely this vast and rich country, this "geological scandal," as the Congo has been dubbed. It is a country that possesses demonstrated agricultural riches as well.

The U.S. Trade and Investment Mission which visited the Congo just one year ago recommended that small investments to gain a foothold in the potentially large Congolese market should be considered. With respect to larger investments, the Mission felt that a wait-and-see attitude was justified.

The group felt that the best possibilities for investment were in the areas of minerals, the paper and wood processing industry, agricultural machinery, electrical appliances, transport equipment and construction equipment. To encourage new investment, a new Investment Code is under preparation and is expected to be published shortly.

Should the Congo's development move ahead smoothly, it is expected that initially considerable investments will be required in the country's rail and river network, feeder roads to major rail and river arteries, the expansion of plantation and traditional agriculture, civil aviation including navigational aid, communications equipment, long and medium-rage jets as well as light aircraft, and the expansion of consumer industries. The modernization and expansion of mining and metallurgical industries would presumably follow as a result of an improvement in the country's infrastructure and general increase in economic activity.

Such favorable trends would also encourage other industries to substitute domestic production for imports, such as paper products, electrical goods, and agricultural machinery. The industries mentioned above have equal applicability for exports as well as for investment.

The most important U.S. investment project is a $6.5 million Pan American hotel project. On Jan. 4 a letter of agreement was signed by the Congo Government and construction is expected to get underway during the course of the year after final negotiations are completed.

The most interesting new development in the U.S.-Congo investment field was the agreement signed on Mar. 1 between the Congo Government and Continental Grain Company to construct a $3.9 million flour mill near the port of Matadi. Animal feed will be an important by-product.

There has been some interest in an international consortium to purchase 40% of the shares of Gecomin being offered by the Government. There is also interest being shown by an American company in a minerals deposit.

Another American company holds a concession for petroleum exploration in the offshore area while still another U.S. company is renegotiating a petroleum exploration concession not far from a major petroleum strike in the nearby Portuguese enclave of Cabinda.

Initial planning for the monetary reform projected a 20% decrease in imports as part of the effort to establish balance of payments equilibrium. A successful reform, however, presupposes a steady rise in economic activity after the initial stabilizing phase, so opportunities for increased U.S. exports should develop.

The United States has traditionally provided over 20% of the Congo's foreign purchases. In 1953 and 1956 this country sold over $73 million worth of goods to the Congo. While Congolese imports from the U.S. in 1965 and 1966 amounted to $75 million and $72 million, respectively, about half of these latter were AID-financed, which helped to retain the U.S. share of the Congolese market. European suppliers, especially Belgians, enjoy well-established trading relationships.

There is also the fact that some U.S. goods are purchased through European intermediaries, a carry-over from colonial days.

Another factor which should be mentioned is the lack of aggressiveness or follow-up by many American firms who might gain export sales.

There are positive factors as well, such as the prestige enjoyed by many American products, the absence of discriminatory trade practices, and an AID program which takes into consideration follow-up possibilities for commercial sales.

Recent sales or interest in purchase of U.S. products includes excavators and other heavy mining equipment, vehicles of all types, machinery for a sugar mill, large U.S. jets, light aircraft, locomotives, and heavy tractors.

In addition, an American charter airline has wet-leased a DC-8 to Air Congo and an American dredging company has a $1.8 million contract to carry out a special dredging operation near the mouth of the Congo River.

The U.S. Embassy in Kinshasa is anxious to cooperate with American businessmen in efforts to develop present and future sales of U.S. goods.

As one of its services to American exporters, the Embassy maintains a Commercial Library in order to familiarize local businessmen with U.S. products and business firms. Businessmen in the U.S. may contribute catalogues, price lists, and promotional literature through the Commercial Officer, American Embassy, Kinshasa, Congo.

Additionally, American businessmen interested in locating an importer or agent in the Congo may wish to purchase a recently-published Business Firms list, which is available for $1 from the Commercial Intelligence Division, Bureau of International Commerce, Dept. of Commerce, Washington, D.C., 20230.

Application filed to establish New Orleans foreign-trade subzone

Port commissioners ask board for permission to operate zone; interested parties invited to submit views by April deadline

The Board of Commissioners of the Port of New Orleans, Grantee of Foreign-Trade Zone No. 2, New Orleans, has filed an application with the Foreign-Trade Zones Board to establish a foreign-trade subzone in New Orleans, the U.S. Department of Commerce has announced.

The application was filed under the Foreign-Trade Zones Act. The Board, consisting of the Secretaries of Commerce, Treasury, and Army, is authorized by this Act to grant to qualified public and private corporations permission to establish, operate and maintain foreign-trade zones in ports of entry of the United States.

Committee appointed

An examiners committee has been appointed by the executive secretary of the board to investigate the application and report to the Board. Interested parties are invited to submit their views concerning the application by April 15 to the Executive Secretary, Foreign-Trade Zones Board, U.S. Department of Commerce, Washington, D.C. 20230. Those desiring to be heard orally at a public hearing should file a written request by that date.

If no request for a public hearing is received, or if the Examiners Committee determines that no hearing is necessary, the Committee will complete its investigation and report to the Board as soon as practicable on the basis of the application, accompanying exhibits, and any other pertinent information regarding the New Orleans application.

Zones in operation

Foreign-trade zones are currently in operation in New York City, New Orleans, San Francisco, Seattle, Toledo, Honolulu, and Mayaguez, Puerto Rico. The New Orleans Zone was opened May 1, 1947. They are areas within which United States customs laws governing the entry of admissible goods and payment of duty are not applicable. Domestic as well as foreign merchandise may be brought to a zone and stored for indefinite periods, displayed, broken down or repackaged, and used in processing and manufacturing. Foreign merchandise is subject to customs laws relating to imports when transferred from a zone into the United States for consumption, but not if reshipped abroad.

General plans showing the location of the subzone proposed for New Orleans and other related information may be examined at the office of the executive secretary of the Foreign-Trade Zones Board in Washington, or at the office of the U.S. Director of Customs, District No. 20, Customs House, New Orleans, Louisiana.

$10 million Eximbank loan helps private Mexican firm buy U.S. coking plant

The Eximbank has authorized a $10 million Alliance for Progress credit to a privately owned Mexican steel producer to purchase a coking plant in the United States.

Hullera Mexicana, S.A., an affiliate of Compania Fundidora de Fierro y Acero de Monterrey, S.A., will buy the plant from the Koppers Co. of Pittsburgh, which will also assist with engineering and constructon.

Related to the new coking plant is a coal washing installation to be supplied by McNally-Pittsburg Manufacturing Corp. of Pittsburg, Kansas, which will cost some $3 million and will be financed through commercial sources.

Most of the annual capacity of 675,000 tons of coke will be purchased by Fundidora to meet demands of its increased steel production. The remaining output of the new plant will be sold to Metalurgica Mexicana Penoles, S.A., which also holds an interest in the Hullera Mexicana firm.

President signs law amending Eximbank operating practices

Action extends agency's authority; move to aid U.S. payments balance

President Johnson has signed an act amending the Export-Import Bank Act of 1945. This is the first legislation related directly to the expanded export program announced by the President on Jan. 1, and sets the stage for additional administrative and legislative steps involving Eximbank and designed to help redress the persistent deficit in the U.S. balance of payments position.

Chief provisions

In its principal provisions the newly-enacted law:

Extends the expiration date of Eximbank's authority to enter into new business from June 30, 1968 to June 30, 1973;

Increases the total amount Eximbank may have outstanding in loans, guarantees, and insurance from $9 billion to $13.5 billion;

Changes the name of the agency from Export-Import Bank of Washington to Export-Import Bank of the United States, reflecting Eximbank's status as a Federal agency chartered by Congress;

Prohibits Eximbank participation in financing exports to or for use in communist countries, or exports of military equipment to less developed countries, unless in either case the President determines such financing is in the national interest;

Prohibits Eximbank participation in financing exports to or for use in any nation which is engaged in armed conflict with U.S. forces, or which furnishes, by direct governmental action, goods, supplies, military assistance, or advisers to a nation engaged in armed conflict with U.S. forces. On the basis of present information, Eximbank has concluded that this will prevent its support of exports to or for use in all communist countries other than Yugoslavia. Eximbank assistance to exports destined for non-communist countries is not affected at this time.

New Indian budget proposes lower business taxes, higher import duties

Proposal greeted by general approval from business community; excise taxes and personal income taxes to be raised under plan

The Indian business community has greeted with general approval the announcement of the new Indian budget for fiscal year ending Mar. 31, 1969.

The budget includes proposals for lower surtaxes on corporate profits, tax concessions for export and agricultural industries, and abolition of some personal tax surcharges combined with tax rises in the top personal income bracket. Excise duties are introduced on six commodities and import or excise levies are raised on a number of others.

Separate surcharges on earned and unearned income will be abolished, although the flat 10% surcharge on basic taxes will be retained. The requirement of annuity deposits on taxable incomes by resident noncorporate taxpayers will also be discontinued.

Basic tax rates on incomes over Rs. 100,000 (1 Rupee = US$.133) will be raised. Whereas the rate for all incomes over Rs. 70,000 has been Rs. 28,000 plus 65% of the amount over Rs. 70,000, it is now proposed to up taxes on incomes over Rs. 100,000 as follows: for incomes between Rs. 100,000 and Rs. 250,000, the tax will be Rs. 47,000 plus 70% of the amount over Rs. 100,000; and the tax for incomes over Rs. 250,000 will be 152,500 plus 75% of the amount over Rs. 250,000.

The exemption from income tax on company dividends where total dividends did not exceed Rs. 500 will be liberalized to allow exemption of the first Rs. 500 of such dividends even where total dividend income exceeds Rs. 500 during the year.

The surtax on excessive company profits will be reduced from 35% to 25% from assessment year 1969-70. The 7.5% tax on dividends declared on paid-up equity capital of widely held companies will be eliminated. To encourage development of export markets, tax deductions are introduced to the extent of 133% of expenditures incurred for specified promotional activities including advertising and travel outside India.

Contributions from agribusiness toward higher farm output are encouraged in the following proposals:

- Extension of the higher 35% development rebate accorded to scheduled industries (compared with the 20% rebate for other industries) for acquisition of new equipment, to industries producing solvent-extracted vegetable oils and oil cakes, processed concentrates for cattle and poultry feeds, and processed fish and fish products;
- Tax deductions for agricultural industries amounting to 120% of the cost of providing farmers with seeds, fertilizers, pesticides, tools, technical services, or demonstrations of modern tecniques; and
- Priority tax treatment for the seed processing industry, thereby entitling it to the 8% deduction from profits in computing taxable income allowed to other priority industries. Also, a foreign company receiving dividends from a closely held Indian seed processing company is to be allowed a deduction of 80% of such dividends in computing its taxable income.

Excise taxes

New excise duties will be levied on confectionery and chocolates; machine-manufactured embroidery; steel furniture; artificial leather cloth; electronic valves and tubes, transistors and semiconductor diodes, and crown cork.

Existing duties will be raised on unmanufactured tobacco, jute manufactures, and refrigerators and air conditioners.

Various adjustments are made in excises on cotton yarn of fine and superfine counts, and the effective excise duty on aluminum will be reduced for small ore-based producers. Excises on petroleum products will be stepped up at varying rates, the added tax to be absorbed by the oil companies.

Import duties are to be increased on whisky, brandy, and certain other alcoholic products; cloves, cassia, and cinnamon; chemicals, plastics, and synthetic resins (excluding those required for drugs, pesticides, or articles already exempted); and steel ingots, certain alloy steels, and high silicon steel sheets (excluding grain-oriented sheets).

The new budget proposes no changes in export duties.

Information on India's duties on individual commodities may be obtained from the Near East-South Asia Division, Office of International Regional Economics, BIC, U.S. Dept. of Commerce, Washington, D.C. 20230.

Postal rates hiked

Significant hikes in postal and telegraph rates were also announced in the budget message.

The Minister of Finance presented a moderately expansionist budget showing a $385 million deficit, designed to assist in revising the Indian economy. This compares with a deficit now estimated at $399 million in the balanced budget presented last year for fiscal 1967-68.

The new budget places revenue receipts at $3,595 million and disbursements at $3,488 million, giving a surplus of $107 million. Capital receipts are shown at $2,238 million, expenditures at $2,764 million—a deficit of $526 million. The net effect of budget proposals not reflected in these estimates is calculated to add revenues that will reduce the overall deficit from $419 million to $385 million.

Development expenditures, set at $2,921 million in the new budget, represent an increase of $172 million over estimated development outlays in fiscal 1967-68. Expenditures for agriculture are projected at $233 million; railways, $180 million; and irrigation and power, $290 million. Large outlays will continue for public industrial projects.

In his budget message the Finance Minister said he looked upon the new financial year "with a certain degree of optimism." He pointed to the sharp increase in agricultural production and rising incomes, an encouraging trend in export performance, and declining price levels, and predicted a rise in industrial production of at least 5 or 6% in the new fiscal year.

"The policy objective," he said, "must be to consolidate the gains so that a major development program can be undertaken in our Fourth Five-Year Plan which will be launched in the following year."

Portugal puts some Kennedy Round cuts into full effect

Had been scheduled to take effect in stages over five-year period

Portugal decided to put into effect, as of Jan. 1, the fully reduced tariff rates on certain items conceded in the Kennedy Round of GATT Tariff Negotiations.

Previously, it had been announced that the reductions were to be in five stages over a five-year period, that is, a 20% reduction each Jan. 1, until the final concession rate was reached on Jan. 1, 1972.

The fully-reduced rates are now in effect on the following items: Soya flour, now put up for retail sale (tariff number 12.02-02), from 1.6 to .80 escudos (esc.) per kilogram (kg.); palm fibers (14.01-02), from .04 to .02 esc. per kg.; infusorial earths, siliceous fossil meals and similar siliceous earths, whether or not calcined, of an apparent specific gravity of 1 or less (25.12), from .16 esc. to .08 esc. per kg.; dolomite (25.18), from .06 esc. to .03 esc. per kg.; anti-knock preparations, oxidation and gum inhibitors, viscosity improvers, anti-corrosive preparations and similar prepared additives for mineral oils except additives for heavy mineral oils (38.14-02), from 5% to 2.5% ad valorem;

Prepared culture media for development of micro-organisms (38.16) from 10% to 5%; sounding and boring tools (82.05-07), from 6% to 3%; levelling machinery (84.23-02), .40 esc. per kg. to duty-free; other agricultural, horticultural, poultry-keeping and bee-keeping machinery, germination plant fitted with mechanical or thermal equipment and poultry incubators and brooders, other than silage cutters for fodder, drum fodder cutters, straw, hay and fertilizer loaders, cylinders for forming wax into comb foundations, windrower-rakes, crank-operated fodder-cutters, seed-disinfecting machines, fodder crushers and sprayers (84.28-05), from 6% to 3%;

Printing machinery and apparatus falling under 84.34-01, from 5% to 2.5%; check-writing machines (84.51-02), from 32 esc. to 16 esc. per kg.; statistical machines, other than punching, sorting and tabulating machines (ex 84.53), from .80 esc. per kg. to duty-free; balloons and airships (88.01), from 6% to 3%; flying machines, gliders, kites and rotochutes (88.02), from 6% to duty-free, and

Instruments and apparatus for physical or chemical analysis, for measuring or checking viscosity, porosity, expansion, surface tension, or the like, or for measuring or checking quantities of heat, light or sound and microtones (90.25), from 4% to 2%.

India Reserve Bank reduces bank rate

The Reserve Bank of India announced a reduction in the bank rate from 6% to 5% effective March 2. The reduction was made to reinforce the Government's expansionary credit policy and correct recessional trends in the economy. It is the first time in the history of the Reserve Bank that the bank rate was lowered.

Along with the reduction in bank rate, which is the rate at which commercial banks borrow from the Reserve Bank, rates on bank deposits have been reduced by ¼% to ½%. The maximum rate on commercial bank loans and advances has been reduced from 10% to 9.5%. The rate for 90-day treasury bills was reduced from 3.5% to 3.%

Norway to establish several industrial estates

The Storting has approved a Norwegian Government proposal to establish industrial estates. A new company, Selskapet for Industrivekstanlegg, is to be established to manage the planning, construction and operation of the industrial estates. The company will have a capital of 3 million crowns ($423,000) and state-guaranteed loans up to 30 million crowns ($4.2 million). Initial plans call for the establishment of two to four industrial estates.

The Norwegian industrial estates will follow the British pattern. The Government proposed that the State own the real estate where the industrial estates are established. In addition the State will provide the utilities and construct industrial buildings for rent or for sale. Industrial firms may also construct their own buildings on estates, with the State providing service facilities.

The objective of the new industrial estates plan is to encourage industry location away from urban pressure centers.

World Bank approves loan to Greece

The World Bank has approved a loan equivalent to $12.5 million of Greece's National Investment Bank for Industrial Development (NIBID), a private development finance company, to finance the foreign exchange costs of investments by private enterprises in manufacturing, mining, shipping and tourism.

NIBID seeks to promote the growth of private enterprises in Greece by providing medium and long-term finance to new and existing enterprises, assisting in the development of a capital market, promoting joint ventures of Greek and foreign enterprises, and advising private enterprises on financial and other matters.

Since it began operations in 1964, NIBID has approved 54 investments totaling 763 million drachmas ($25.4 million). Most of these investments have been in the form of loans. The industries assisted include cement, metal products, synthetic fibers, textiles, paper, food products, building materials, electrical goods, chemical products, tourist facilities and shipping. About half the investments were made in new firms and half were for the expansion of existing enterprises.

NIBID was established by the National Bank of Greece (NBG), the largest commercial bank in the country, and 10 foreign banks. Subsequently, three additional foreign banks, as well as the International Finance Corporation (IFC), subscribed to NIBID's share capital.

Australia revises duties on light-weight stoves

Revised Australian import duties on light-weight stoves, Tariff Item 73.36, became effective on Mar. 8. The principal change consists of an increase of 7½% ad valorem in the duties on gas fired stoves of less than 40 pounds (Tariff Item 73.36.19) resulting in new rates of 35% (General) and 25% (Preferential). At the same time, duties on oil and spirit fired stoves of less than 40 pounds (Tariff Item 73.36.11) were reduced from 35% (General) and 20% (Preferential) to 7½% and free.

Imports under Tariff Item 73.06 during fiscal year 1967 amounted to $1,254,400, of which the United States accounted for $144,086.

Australian producers want U.S. licenses

Interested in insecticides, agricultural chemicals, signals

Two Australian firms seek U.S. licenses to produce products related to their respective lines.

● A Sydney chemical company specializing in synthetic resins for plastics and surface coatings seeks to expand its product line into several additional chemical areas through a licensing agreement with a U.S. firm.

Producing resins since 1960, the firm's current range of products includes unsaturated polyester resins, butylated melamine and urea formaldehyde resins, and alkyd resins for surface coatings. The firm's technical staff has also had direct experience in the production of vinyl and acrylic polymers and copolymer emulsions and solutions, polyamide resins for coatings and adhesives, phenol formaldehyde resins for coatings, adhesives and moldings, urea and melamine formaldehyde resins for textiles and adhesives, and polyesters and prepolymers for urethane foams and coatings. Its present plant is suitable for the production of any or all of the above.

The firm is also interested in further diversification, preferably into the field of agricultural chemicals and insecticides, and would consider a licensing proposal along these lines. In this latter case, it would probably wish to market the imported product for a trial period in order to gauge its market potential.

Because of recent additions to its plant, Escon Chemicals has excess capacity to produce existing lines and has space to extend or to build new plants. Some seventy-five percent of its land is still available for development. The firm does not have any retail outlets.

Write: Escon Chemicals Pty. Ltd., P.O. Box 10, Seven Hills, N.W.S. 2147 Sydney, Australia. WTD.

● A well established manufacturer of railroad signaling equipment, rectifiers and semiconductors seeks licenses to make additional products. The Australian concern operates a modern plant and employs about 600.

Write: McKenzie & Holland (Australia) Pty. Ltd., P. O. Box 4, Newport, Victoria 3015, Australia. WTD.

Israeli manufacturers seek U.S. licenses to expand

Two Israeli firms are seeking U.S. licenses to produce high vacuum and cryogenic equipment, tranquilizers and other pharmaceutical products.

● One of the largest Israeli manufacturers of stainless steel utensils and equipment for hotels, hospitals, industry and household use seeks to manufacture high vacuum and cyrogenic equipment under license from a U.S. firm.

Write: "Palbam" Metal Enterprises Ltd. of Ein-Harod (Ihud), Tel Aviv, Israel. WTD.

● An Israeli manufacturer and exporter of pharmaceuticals, feed supplements and cosmetics seeks a licensing agreement with a U.S. manufacturer of tranquilizers and other pharmaceutical products.

The firm is represented in the U.S. by Taro Pharmaceutical Co., 668 Eastern P'way, Brooklyn, N.Y.

Write: Taro-vit Chemical Industries Ltd., 1 Hakitor St., Haifa, Israel. WTD.

Chilean firms seek licenses to make gasoline pumps, mufflers and syringes

● A Santiago manufacturer of automobile accessories seeks to manufacture muffler exhaust pipes and gasoline pumps under license from a U.S. firm.

Write: Fabrica de Accesorios para automoviles (J. Riveros P.), San Nicolas 960, Casilla (P. O. B.) 2999, Santiago, Chile. WTD.

● A Santiago manufacturer of syringes seeks a license to produce hypodermic syringes.

Write: Juan A. Rock, Ahumada 370, Of. 612, Casilla (P.O.B.) 13363, Santiago, Chile. WTD.

Costa Rica extends deadline on forest exploitation

The closing date for submission of bids on the Costa Rican forest tender has been extended to July 3. (See INTERNATIONAL COMMERCE, Mar. 18, p. 36).

To receive copies of Public Tender 49 interested U.S. firms should write or call: N. McHugh, Embassy of Costa Rica, 2112 S St., N.W., Washington, D.C. 20008. Telephone: 202-234-2945.

Thailand needs equipment to handle bulk flour

Bulk handling facilities for tapioca flour are needed in Thailand to move export shipments more efficiently and economically. U.S. firms with capabilities in this field can obtain additional information by writing Trade Development Centers Staff, Bureau of International Commerce 918-R, Department of Commerce, Washington, D. C. 22302.

License for steel products sought by Scottish firm

A license for the manufacture of light steel products for the building industry is sought by a Scottish steel producer.

Established in 1963, the firm has about 104 employees.

Write: Walter Kirkland (Steel) Ltd., Factory No. 2, Blairlinn Industrial Area, Cumbernauld, Scotland. Attn: Mr. D. A. Monteith. WTD.

Investment Assistance

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations published in the Federal Register for Jan. 3, as amended.

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. A (*) following the name of the foreign firm indicates that additional information is available from the above address.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington, D.C. 20230 or the nearest Department of Commerce Field Office.

$7.2 million satellite station is first private U.S. project insured by Indonesia pact

A major new U.S. private investment in Indonesia has received the first loan guaranties and insurance against political risks issued by the Agency for International Development under the investment guaranty agreement signed by the United States and Indonesia in January 1967.

The project, a $7.2 million earth satellite communications station, will be built and managed by P. T. Indonesian Satellite Corporation (Indosat), a wholly-owned subsidiary of International Telephone & Telegraph Corp., under a 20-year contract from the Government of Indonesia. The station is designed to provide Indonesia with modern international communications, including telephone, telex and television.

Under AID's "extended-risk" guaranty program, repayment of 75% of the $5.5 million loan, advanced by the Bank of America and a group of co-lenders to finance the project, is guaranteed against default. AID also has insured the remaining $1.4 million of the loan financing and ITT's $1.7 million equity investment in the station against loss from the political risks of war, revolution, insurrection, expropriation and currency inconvertibility.

The station is to be constructed from U.S. materials and equipment supplied by ITT's Defense Communications Division, Nutley, N.J. After construction, the station will be owned by the Government of Indonesia, which will lease the facility to Indosat for 20 years for a share of the net profits.

Joining with the Bank of America in financing the station are the Connecticut General Life Insurance Company, North Atlantic Life Insurance Company of America, First National Bank of St. Paul, and the National Shawmut Bank of Boston.

British firm wants license for industrial components

A British manufacturer of pneumatic valves and cylinders seeks to produce industrial components connected with fluid power under license from a U.S. firm. The British firm also imports and markets pneumatic cable cylinders and miniature pneumatic valves.

Write: Davis Pneumatic Systems Ltd., Newnham Industrial Estate, Newnham Road, Plympton, Plymouth, Devonshire, England. W.T.D.

New Zealand firms seek to broaden activities through U.S. licenses

Two New Zealand firms are seeking U.S. licenses to produce gas-fired furnaces and mechanics' creepers for automotive repair shops.

- An Auckland manufacturer of metal stampings and plastic components seeks a license to produce mechanics' creepers for use in automotive repair shops.

The New Zealand firm, which also manufactures casters, door catches and hinges, has adequate tool and die making facilities.

Write: Rex Manufacturing Co., Ltd., P.O. Box 5645, Auckland, New Zealand. WTD.

- A manufacturer of heating equipment seeks to broaden its line through a licensing agreement to produce gas-fired furnaces. The New Zealand firm is interested in making residential furnaces with an output ranging between 40,000-100,000 BTU per hour and commercial warm air furnaces, with or without a circulating fan, with a capacity of 100-1 million BTU per hour. The manufacturer states that the furnaces should be of a type that can also be modified for oil firing.

Write: Vale and Company, P.O. Box 1050, Christchurch, New Zealand. WTD.

Brazilian screw producer looks for U.S. partner

A prominent Brazilian manufacturer of screws and industrial fasteners seeks to expand and modernize its operations through a joint venture with a U.S. screw producer.

The U.S. partner is asked to contribute machinery, equipment and technical assistance in exchange for a maximum of 60% of equity and management participation.

Established in 1926, the Rio de Janeiro firm reports annual sales of $750,000 and has about 150 employees.

Write: Fabrica de Parafusos S. A., Rua Luiz Zancheta 94 (Estacao do Richuelo), Rio de Janeiro, GB, Brazil. WTD.

U.S. license to produce laminated coated materials sought by French firm

A Paris producer of coated and uncoated metal materials, plastic foil and film for the food, pharmaceutical and photographic paper industries seeks licenses to make newly developed types of packaging products such as foilware containers and plastic bags and/or packaging equipment.

The firm which laminates foil with paper or plastics and sells its products in rolls or sheets is particularly interested in the production of tin and lead foil products for the building industry and would consider representing U.S. manufacturers of these products as a distributor.

Write: Laminoirs d'Alsace, 11 bis Rue Roquepine, 75-Paris 8, France. WTD.

Dutch coal mining firm seeks license to diversify

A large Dutch coal mining company which has diversified its activities in recent years seeks licensing agreements with U.S. firms in the silicate, metal, hydraulic machinery, electrical and electronic industries. The Dutch concern will provide capital, skilled labor, land and sales services in exchange for American technical know-how.

The firm currently operates a rubber and plastic plant, an electric power generating facility, a foundry, and facilities for producing hydraulic, pneumatic, electric and electronic equipment.

Write: N. V. Oranje-Nassau Mijnen, Kloosterweg, or P.O. Box 76, Heerlen, The Netherlands. WTD.

Indian paint firm expands facilities for chemical output

Sudarshan Chemical Industries Pvt. Ltd., Poona, India, recently inaugurated a new plant to produce 750 tons of chemical intermediates per year for the organic pigment industry, and to increase its production of organic and inorganic pigments. Many of the intermediates are now being produced for the first time in India. H. Kohnstamm & Co. of New York is a partner in the Sudarshan enterprise.

World Trade Opportunities

Venezuela to construct hydroelectric project; firms must prequalify

Interested companies must submit applications in advance of bid

The Government of Venezuela invites firms to prequalify in order to bid on the hydroelectric project of the Santo Domingo River.

The work is divided into three groups, giving the approximate volume in cubic meters of excavation and concrete necessary for the project as follows: Group 1—Concrete ditch, arched shape, 70 m. at peak height; excavation 40,000 c.m.; concrete 75,000 c.m. Group 2—Passage covered with concrete 11 km. in length and 3 m. in diameter inside; excavation 150,000 c.m.; concrete 55,000 c.m. Group 3—Passage covered with concrete 3 km. long and 3 m. in diameter; concrete shaft 2000 m. in length and 2.4 m. in diameter. Underground area for generators: Excavation 160,000 c.m.; concrete 55,000 c.m.

Interested companies should send their firm's financial data, etc., in advance of bid.

Registration applications must be received by the C.A. de Administracion y Fomento Electrico, Edificio "Iasa" Plaza de la Castellana, Urbanizacion la Catellana, Caracas, Venezuela by Apr. 15.

Bid deadline is Apr. 15.

Copies of documents (in Spanish) with parts translated, giving data on the projects and registration information, are available from Room 4014, U.S. Department of Commerce, BDSA-564, Washington, D.C. 20230. Telephone 202-967-3602.

Guatemala extends bid deadline for sub-station project

The Government of Guatemala notifies bidders interested in submitting offers for construction work on its "Obras Civiles para Subestaciones Guatemala Sur y Guacalate" project (see INTERNATIONAL COMMERCE, Feb. 26, p. 28 and *Commerce Business Daily*, issue #PSA-4502, Feb. 16) that the bid deadline has been advanced from Apr. 8 to May 8.

Government of Sudan seeks bids for magnetic recording tape

The Ministry of Communications, Department of Posts and Telegraph of The Government of Sudan, has issued Tender No. 225, for the supply of magnetic recording tape.

Bid deadline is 12 P.M. Apr. 15.

Bid should offer a quotation for 2000 reels of 0.25 in. magnetic recording tape in 1200 ft. reels.

Copies of tender announcement and specifications are available on a short-term loan basis to firms located in the U.S. from the Electronics Division, BDSA-658, Room 4125, U.S. Department of Commerce, Washington, D.C. 20230. Telephone: Code 202-967-4038.

Greece issues tender for tubes, transistors, crystal diodes, and communication equipment

● The Hellenic National Broadcasting Institute has issued a tender for the supply of tubes, transistors, and crystal diodes.

Bid deadline Apr. 24.

Bid should offer tubes, transistors and crystal diodes, totaling 924 and comprising 87 different types. Certain types are to be of "ruggedized" construction.

Copies of tender announcement and specifications are available from the Hellenic National Broadcasting Institute (EIR), Procurement Section, Anaxagora and Geraniou 20 Streets, Athens, or on a short-term loan basis to firms located in the United States from the Electronics Division, BDSA-658, Room 4125, U.S. Department of Commerce, Washington, D.C. 20230. Telephone: Code 202-967-4038.

● The Ministry of Commerce, State Purchases Directorate, has issued Tender No. D/108/68, for the supply of Mobile FM Communications Equipment.

Bid deadline is Apr. 29.

Bids should offer eight FM Mobile Communications Transmitters and Receivers, with transmitters having an output power of 30 watts, and in the frequency range of 38-40 MHz. Bids should also offer one FM Signal Generator with the following frequency ranges, 25-32 MHz; 32-41 MHz; 41-54 MHz; 130-175 MHz; 400-470 MHz; and 890-960 MHz.

Copies of tender announcement and specifications are available from the Ministry of Commerce, State Purchases Directorate D, 50 Socratous St., Athens, or on a short-term loan basis to firms located in the U.S. from the Electronics Division, BDSA-658, Room 4125, U.S. Department of Commerce, Washington, D.C. 20230. Telephone: Code 202-967-4038.

Bolivia seeks bids on pumps, chlorination system for supply of Santa Cruz drinking water

Comite de Obras Publicas de Santa Cruz, La Paz Esquina Warnes, Santa Cruz, Bolivia, has issued a tender for a pumping and chlorination system for Santa Cruz's drinking water supply.

The project will include: 105-square-m. building for chlorination equipment, electrical controls and laboratory; four 75 hp. vertical turbine pumps; 80 meters 24" steel pipe; and all electrical, mechanical and control equipment. The bid deadline is Apr. 23.

Plans and specifications can be obtained from the above address for $16.67.

Tender documents available for Uruguay milk plant

One set of tender specifications (in Spanish) on construction of a milk processing plant building in Uruguay (see INTERNATIONAL COMMERCE, Mar. 18) is available for office review in Room 4014, U.S. Department of Commerce, Washington, D.C. (telephone 202-967-3602).

Government of Kuwait plans port expansion

The Government of Kuwait recently inaugurated an extensive expansion plan for the western portion of the country's chief port of Shuwaikh.

Construction of the new facilities, which is under the general direction of Associated Marine Consultants of Holland, will include: deepening the anchorage of the present docks to 33 ft. and installing two new 45-foot long anchorages; building a passenger pier, 731 ft. long and 33 ft. deep; erecting six anchorages for large ships, each anchorage to be 328 ft. long and 33 ft. deep; establishing a dock for private fishing ships capable of receiving five large boats and 40 to 50 small craft; building four 28-foot deep anchorages for ships carrying livestock and frozen food; preparing a yard for maintenance of ships and installing the necessary piers and special elevator to lift the ships to the yard; and increasing the depth of the ship maneuvering dock from 28 to 33 ft. and deepening the entrance canal from 25 to 28 ft.

The estimated cost for the western extension is 12 million Kuwait dinars (1 K.D. = U.S. $2.80), with five years estimated for completion. Other facilities of the port such as roads, warehouses and mechanical installations have not yet been planned.

The completion of the western expansion, together with the soon-to-be-finished eastern addition, will raise the capacity of Shuwaikh Port to about two million tons per year, more than double the present capacity.

Norway seeks qualified firms for bidding on NATO hangar

The Norwegian Defense Construction Service will call for bids on construction of a reinforced concrete hangar at Andoy Airfield, costing about $1.2 million.

Interested U.S. firms certified as eligible to bid on NATO Infrastructure projects (International Competitive Bidding—ICB) should notify the U.S. Embassy, Drammenveien 18, Oslo, Norway, of their desire to be invited to bid.

A copy of the announcement will be available from the Trade Opportunities Staff, BDSA-624, U.S. Dept of Commerce, Washington, D.C. 20230.

Spain plans desalinization plant

The Direccion General de Obras Hidraulicas, Ministerio de Obras Publicas, Madrid (16), has issued a tender for the installation of a water desalting plant in the island of Fuerteventura (Canary Islands).

Firms with previous experience in this type of installation will have preference, and all bidders must make a reimbursable deposit of the Peseta equivalence of $28.57. The bid deadline is Apr. 16.

All technical documentation, specifications, terms and conditions, are available, in Spanish, from the above address.

World Trade Opportunities Continued to page 63

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. These numbers refer to the Standard Industrial Classification (SIC) Manual, which is available for $2.50 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

The listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the Comprehensive Export Schedule or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

- indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the Trade Opportunities Staff, BDSA-624, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Sales Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless a desire for an agency agreement is expressed.

195 Small arms

SUDAN—Different types of sporting shotguns, rifles, shotgun shells, cartridges. Mohamed Saleh Geries (importer), P.O. Box 293, Wad Medani. WTD in preparation.

200 Food

AUSTRALIA—Fine foodstuff products. C. H. Chang & Co. (agent, distributor, exporter, importer), 230-232 Elizabeth St., Sydney, N.S.W. 2000. WTD 2/68.

NETHERLANDS—Food, foodstuffs; all kinds. Direct purchase and agency. Pieter Beets N.V. (importer, wholesaler, exporter, agent, transit trader), 21 Oeverstraat, Rotterdam. WTD 6/67.

201 Meat products

AFGHANISTAN—All kinds of canned meat products. Haji Sayed Abdul Baqi Ghafori (importer, grocer), Choorahi Toorabaz, Kabul. WTD 4/67.

202 Dairy products

AFGHANISTAN—All kinds of dairy products; butter, cheese, milk. Haji Sayed Abdul Baqi Ghafori (importer, grocer), Chorrahi Toorabaz, Kabul. WTD 4/67.

203 Canning, preserving foods

AFGHANISTAN—All kinds of canned fruits, fruit juices, vegetables. Haji Sayed Abdul Baqi Ghafori (importer, grocer), Choorahi Toorabaz, Kabul. WTD 4/67.

204 Grain mill products

HONDURAS—Food for tropical fish. Direct purchase and agency. Mercadito Yu-Way (manufacturers' representative), Attn: Antonio Yu-Way, 6a. Calle #602, Tegucigalpa. WTD 2/68.

205 Bakery products

AFGHANISTAN—All kinds of tinned, canned or boxed bakery products. Haji Sayed Abdul Baqi Ghafori (importer, grocer), Choorahi Torrabaz, Kabul. WTD 4/67.

207 Confectionary

AFGHANISTAN—All kinds of candies, chocolate, chewing gum. Haji Sayed Abdul Baqi Ghafori (importer, grocer), Choorahi Torrabaz, Kabul. WTD 4/67.

AUSTRALIA—Confectionery. C. H. Chang & Co. (agent, distributor, exporter, importer), 230-232 Elizabeth St., Sydney, N.S.W. 2000. WTD 2/68.

NETHERLANDS—Confectionery, all kinds. Direct purchase and agency. Pieter Beets N.V. (importer, wholesaler, exporter, agent, transit trader), 21 Oeverstraat, Rotterdam. WTD 6/67.

208 Beverage industries

NETHERLANDS—Beverages: alcoholic, nonalcoholic, all kinds. Direct purchase and agency. Pieter Beets N.V. (importer, wholesaler, exporter, agent, transit trader), 21 Oeverstraat, Rotterdam. WTD 6/67.

209 Food preparations

NETHERLANDS—Food products, all kinds. Direct purchase and agency. Pieter Beets N.V. (importer, wholesaler, exporter, agent, transit trader), 21 Oeverstraat, Rotterdam. WTD 6/67.

210 Tobacco manufacturers

NETHERLANDS—Tobacco, cigarettes, cigars, cut tobacco, snuff. Direct purchase and agency. Pieter Beets N.V. (importer, wholesaler, exporter, agent, transit trader), 21 Oeverstraat, Rotterdam. WTD 6/67.

220 Textile mill products

• **NEW ZEALAND**—Sheeting, towelling, calico, canvas duck, drill, casement cloth, flannelette, mosquito netting, pillow cotton, swansdown, winceyette in various colors, sizes, and amounts, totalling 236,610 yds. Bid deadline May 24. Required samples must be submitted by Apr. 19, 1968, to the Supply Officer, Auckland Hospital Board, P.O. Box 5546, Auckland 1, reference number S2626. (Telephone 202-967-5238).

221 Broad woven fabric mills, cotton

SWEDEN—Cloth for ladies' dresses, blouses, beachwear. Direct purchase and agency. Almgrens Agentur AB (agent, importer), Kornhamnstorg 6, Stockholm C. WTD 3/68.

223 Broad woven fabric mills, wool

NETHERLANDS—Worsted, woolen fabrics for use in wearing apparel industry. Agencies and representations requested for Scandinavian countries, Switzerland, France, Benelux

countries. Ewitex-Import-Export (sales agent, importer), 30 Leliegracht, Amsterdam. WTD 3/68.

224 Narrow fabrics, other smallwares mills

SOUTH AFRICA—Ribbons in all sizes for Masonic regalia. Union Badge Co. (Pty.) Ltd. (manufacturer), P.O. Box 3477, Cape Town, Cape Province. WTD in preparation.

228 Yarn, thread mills products

HONDURAS—Crochet wool. Direct purchase and agency. Casa Farach (manufacturers' representative), Attn: Mr. Taufic Farach, 4a. Calle y 7a. Avenida #711, Tegucigalpa, D.C. WTD 7/67.

229 Textile goods

PORTUGAL—Woolen rags, clippings, polyamidic and acrylic drawn sliver waste and tow, undyed bright acrylic drawing laps for use in textile industry. Direct purchase and agency. Rodrigues & Bicho, Lda. (importer, sales agent), Largo da Anunciada 9-2°, Lisbon. WTD 6/67.

231 Men's, youths', boys' suits, coats, overcoats

NETHERLANDS—Men's suits, pants, jackets. Agencies and representations requested for Scandinavian countries, Switzerland, France, Benelux countries. Ewitex-Import-Export (sales agent, importer), 30 Leliegracht, Amsterdam. WTD 3/68.

233 Women's, misses', juniors' outerwear

NETHERLANDS—Women's skirts, dresses, suits, coats. Agencies and representations requested for Scandinavian countries, Switzerland, France, Benelux countries. Ewitex-Import-Export (sales agent, importer), 30 Leliegracht, Amsterdam. WTD 3/68.

259 Furniture, fixtures

HONDURAS—Furniture, fixtures for use in hospitals. Direct purchase and agency. Osmond L. Maduro (manufacturers' representative), Apartado Postal 213, Tegucigalpa. WTD 2/68.

262 Paper mills products

● **IRAN**—800 tons mechanical paper. Substance to be 90 grams/m²± 2 grams. Paper to be supplied in 4 bobbin widths ranging between 295 mm-610 mm. Bid deadline May 21.

Copy of tender containing specification and conditions along with sample of desired paper available from Forest Products Division, BDSA, Room 4003, U.S. Department of Commerce, Washington, D.C., 20230. Telephone: 202-967-3003.

● 200 tons yellow paper in bobbins. Substance to be 110 grams/m² ± 5 grams. Bobbin width 492 mm. Each bobbin to weigh 200-250 kgs. Bid deadline May 27.

Copy of tender containing specifications and conditions along with sample available from Forest Products Division, BDSA, Room 4003, U.S. Department of Commerce, Washington, D.C., 20230. Telephone: 202-967-3003.

● 400 tons colored paper in bobbins comprised of 250 tons red and 150 tons blue. Substance to be 110 grams/m² ± 5 grams. Bobbin width of red paper to be 589 mm; width of blue paper 492 mm. Each bobbin to weigh 200-500 kgs. Bid deadline May 30.

Copy of tender containing specifications, conditions, and samples of desired paper available from Forest Products Division, BDSA, Room 4003, U.S. Department of Commerce, Washington, D.C. 20230. Telephone: 202-967-3003.

264 Converted paper, paperboard products

AFGHANISTAN—Napkins, toilet paper, paper towels, cleansing, facial tissues. Haji Sayed Abdul Baqi Ghafori (importer, grocer), Choorahi Toorabaz, Kabul. WTD 4/67.

SWITZERLAND—Loose-leaf paper fillers, waxed and wax-laminated wrapping paper for candies, cheese, other foodstuffs; general packaging materials, novelties. Direct purchase and agency. Kartonfabrik Hergiswil AG (manufacturer, importer, distributor), Bueren OW. WTD 7/67.

281 Industrial chemicals

● **BOLIVIA**—Supply of 100 drums of antiknock compound, tetraethyl lead (TEL), motor mix yellow No. 1 in 55-gal., non-returnable steel drums containing 120,000 ml (TEL) each. 20 drums are destined for Cochabamba and 80 drums for Sucre. Shipments via the port of Antofagasta, Chile. Tender No. 16/68, bid deadline, 6:00 P.M., Apr. 16. V.P.F.B. (Yacimientos Petroliferos Fiscales Bolivianos) Division de Adquisiciones, 4 to piso Oficina 401, Calle Bueno, Casilla 401, La Paz.★ (Telephone: 202-967-2067).

● **HONG KONG**—Supply of 15,600 U.S. gals. (13,000 imperial gals.) of fire fighting foam compound, concentration 3%, viscosity of 20°C.: 9-12 centistokes, specific gravity at 20° C. 1,165, acidity 6.3 to 7.5, sludge content less than 0.25%, after aging less than 0.30%, expansion 7-1 to 10-1, packed in 40/44 imperial gal. steel containers. Tender No. Stores A-12133, bid deadline Apr. 19. The Secretary, Tender Board, Colonial Secretariat, Central Government Offices, Lower Albert Rd., Hong Kong.★ (Telephone: 202-967-2067).

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

● **INDIA**—Urea fertilizer, bagged, 150,000 metric tons. Shipment schedule as follows: 25,000 tons, 75,000 tons and 50,000 tons in May, June and July, respectively. Tender No. FP4 (2)/P11-5(18)/68. Bid deadline Apr. 3.

Bids to the Director General of Supplies and Disposals, National Insurance Bldg., Parliament St., New Delhi, India. Tender documents, containing specifications and other conditions, may be obtained from India Supply Mission, 2536 Massachusetts Ave., N.W., Washington, D.C., 20008.

● The Hindustan Antibiotics Ltd., Pimpri (Poona-18), India, has invited bids for the following items: Acetone, 195 metric tons; butyl alcohol, 190 metric tons; calcium chloride, 180 metric tons; hyflo supereel filter, 20 metric tons; phenylacetic acid, 10 metric tons; corn distillers, dried solubles, 60 metric tons; procaine hydrochloride, 33 metric tons; resin amberlite, IR 400, 25 cu. ft.; resin amberlite IRC 50, 500 cu. ft.; Activated carbon, Pittsburgh type RC, 15 metric tons. Tender No. B-1448/AID, bid deadline 11:00 A.M., Apr. 26. Tender papers available at no cost from India Supply Mission, 2536 Mass. Avenue, N.W., Washington, D.C., 20008, Telephone: 202-CO 5-5200.

● **KOREA**—Polysodium phosphate (P_2O_5 65.5% Min., Fe_2O_3 0.04% Max.), trisodium phosphate ($Na_3PO_4.12H_2O$ 97.5% Min., P_2O_5 18.2% Min.), potassium carbonate (technical grade, K_2CO_3 98% Min.), sodium carbonate (Na_2CO_3 98% Min., NaCl 0.5% Max.), borax (sodium tetraborate) (technical granular, $Na_2B_4O_7.10H_2O$ 99% Min.), ammonium nitrate (NH_4NO_3) (technical grade, uncoated prills, purity 99.5%) permutits R.S. (characteristic, strong acid, grain size 0.3 - 1.2 mm (K)). Quantities of above materials, in metric tons, follow: 13, 31, 170, 100, 120, 32, and 400, respectively. Tender No. KFX-8008-N. Delivery by July 30 to Pusan, Korea. Bid deadline Apr. 10. Address: Office of Supply, Government of the Republic of Korea, Seoul.★ (Telephone: 202-967-3465.

NETHERLANDS—Acetone, butanol, butylacetate, ethylacetate, cyclohexanone, amylacetate, toluene, xylene, dipentene, methylenechloride, methanol, monoethyleneglycol, methylethylketone, methylisobutylketone, D.B.P., D.O.P., D.I.O.P.; solid chemicals such as nickelsulphate, nickelchloride, natriumhydroxide, natriumcyanide, natriumbichromate, natriumnitrate, natriumnitrite, zinccyanide, paradichloricbenzene, etc. Direct purchase and agency. W. Biesterfeld & Co. (Nederland) N.V. (importer, distributor, agent, exporter, manufacturer, processor), 20 Eikenlaan, or P.O. Box 41, Alphen a/d Rijn. WTD 3/67.

● **SUDAN**—53,300 metric tons urea, granular or prilled, 45/46% nitrogen and not more than 1.5% biuret. Tenders may be submitted to cover any of the following quantities separately, 6,300 metric tons, 11,000 tons, 16,000 tons or 20,000 tons. Deliver at Port Sudan during September, October, and December. January and February 1969. No delivery will be accepted at Port Sudan during Nov. 1968. Packing requirements, 50 kilo new jute bags various types of lining, specify kind. Tender reference SGB/Sup/10.A68. Bid deadline Apr. 16. Address all tenders to Asst. Gen. Mgr. (supplies) The Sudan Gezira Board, Barakat.★ (Telephone: 202-967-3465).

SWITZERLAND—Industrial inorganic, organic chemicals, raw chemicals, synthetic organic chemicals, biochemicals. Direct purchase and agency. Guido A. Senn (manufacturer, importer, distributor), Chemisches Laboratorium, Wehntalerstr. 2, 8157 Dielsdorf. WTD 8/67.

282 Synthetic materials

GUATEMALA—Orlon yarns for knitting mill. Requests replies in Spanish. Fabrica de Tejidos "Imperial"—Zaid Hermanos y Cia Ltda. (manufacturer), 32 Calle 5-60, Zona 3, Guatemala City. WTD 3/68.

283 Drugs

● **EL SALVADOR**—The General Administration of Health, El Salvador, has issued Tender Notice No. 12/68 calling for bids on a total of 297 drugs and surgical items.

Drug items: dextrose 5% in water, 250 cc., 13,000 bottles; dextrose 5% in water, 1.000 cc., 34,000 bottles; dextrose 5% in normal saline, 250 cc., and 1,000 cc., 16.800 bottles of each; dextrose 10% in water, 1,000 cc., 13,100 bottles; acetylsalicylic acid 0.10 gm., 426,000 tablets; acetylsalicylic acid 0.50 gm., 3,000,000 tablets; dipyrone, 0.30 gm., 185,000 tablets;

ferrous sulfate, 0.30 gm., 4,859,000 tablets; chloramphenicol, 250 mg., 1,116,000 capsules penicillin G sodium, 1,000,000 I.U., 121,800 vials; tetracycline, 250 mg., 846,000 capsules; diphenylhydantoin sodium, 0.10 gm., 1,291,500 capsules; ethyl ether, ¼ lb., 11,300 cans; aluminum hydroxide gel, 0.50 gm., 247,000 tablets; chlorpromazine, 25mg., 1,554,200 tablets; sulfadiazine, 0.50 gm., 579,000 tablets; sulfamethoxypyridazine, 0.50 gm., 489,000 tablets; prednisone, 5 mg., 284,000 tablets; ascorbic acid, 250 mg., 830,000 tablets; and vitamins with minerals, 1,936,000 tablets.

Surgical items: catgut simple No. 1, 96 dozens; catgut simple No. 00, 1,364 dozens; catgut chromic No. 0, 1,612 dozens; catgut chromic No. 00, 1,162 dozens; plaster of Paris bandages, 8" x 5 yards, 1,234 dozens; obstetric pillows, 325,400 units; elastic bandages, 2" x 5½ yards, 746 rolls; hypodermic 2 cc. syringes, 2,886 units; hypodermic needles No. 23 x 1½", 1,262 dozens; and absorbent gauze bandages, 2" x 10 yards, 32 mesh per square inch, 9,600 dozens. Bid deadline Apr. 24. Copies of the tender are available from the Chemicals and Allied Products Division, BDSA, U.S. Department of Commerce, Washington, D.C. 20230.★ (Telephone: 202-967-2239).

GUATEMALA—Veterinary pharmaceuticals preparations. Direct purchase and agency. La Semilla Centro Avicola (manufacturers' representative), 6a. Avenida 6-51, Zona 4, Guatemala City. WTD 3/68.

HONDURAS—Medicines for tropical fish. Direct purchase and agency. Mercadito Yu-Way (manufacturers' representative), Attn: Antonio Yu-Way, 6a. Calle #602, Tegucigalpa. WTD 2/68.

SWITZERLAND—Fine chemicals, alkaloids, bacteriological carbohydrates, biological products, drugs, pharmaceuticals. Direct purchase and agency. Guido A. Senn (manufacturer, importer, distributor), Chemisches Laboratorium, Wehntalerstrasse 2, 8157 Dielsdorf. WTD 8/67.

287 Agricultural chemicals

● **ETHIOPIA**—DDT., 25% e.c. 72,000 liters; Malathion, 50% e.c., 5,000 liters; DDT., 75% w.p., 12,000 kgs.; Sevin, 85% w.p., 3,000 kgs.; Aldrin, 40% w.p., 5,000 kgs.; Summer Oil, 1,000 liters. Bid deadline 10 A.M., April 30. Auditor General, P.O. Box 457, Addis Ababa.★ (Telephone: 202-967-3910)

GUATEMALA—Agricultural fertilizers, pesticides, insecticides, herbicides. Direct purchase and agency. Juan U. Maegli & Cia., Ltda. (manufacturers' representative), 6a. Av. 1-21, Zona 4, Guatemala City. WTD 2/68.

289 Chemical products

GERMANY—All sorts of chemical compounds for metalworking industry, i.e. surface treatments, testing chemicals. Direct purchase and agency. Censta Inh. N.H. Groess (manufacturer, retailer, (wholesaler), 6080 Gross-Gerau, Sudetenstr. 3 or Postfach 354. WTD 3/68.

307 Plastic products

SWITZERLAND—Foamed plastic materials for packaging raw materials for foamed plastic packaging materials, bubble, blister, cushioning, plastic coated materials, other plastic packaging materials, novelties. Direct purchase and agency. Kartonfabrik Hergiswil AG (manufacturers, importers, distributors), Bueren OW. WTD 7/67.

Technical plastic novelties. Direct purchase and agency. Fritz Steiger (manufacturer, distributor), Davidstrasse 17, 9000 St. Gallen. WTD 3/68.

311 Leather tanning, finishing

PORTUGAL—Leather for manufacture of first quality gloves. Jose Murteira Goncalves (manufacturer), Rua dos Fanqueiros 196-3°, Lisbon. WTD in preparation.

323 Glass products

HONDURAS—aquariums in sizes from 5-40 gals., aquarium accessories. Direct purchase and agency. Mercadito Yu-Way (manufacturers' representative), Attn: Antonio Yu-Way, 6a. Calle #602, Tegucigalpa. WTD 2/68.

326 Pottery, related products

ITALY—Dielectric ceramic. R.I.R. di Renato Flori & Co. (manufacturer), Via Cavezzali 16, Milan. WTD in preparation.

329 Abrasive, asbestos, nonmetallic mineral products

SWITZERLAND—Tungsten carbide abrasive and tungsten carbide tools, buffing and polishing wheels and laps, diamond wheels, corundum and metal pneumatic blasting products, rubber bonded polishing heads, similar products, buffing, polishing compounds. Direct purchase and agency. Industrie-Bedarf AG (agent, distributor, importer), Glattalstrasse 138, 8050 Zuerich. WTD 7/67.

333 Primary smelting, refining of nonferrous metals

INDIA—

Metal	*Metric Tons*	*Bid Deadline*	*Tender No.*
Lead	30	4/ 4/68	P/501/46/223/11-1/68/PL
Tin	115.84	4/11/68	P/502/45/1-54/22-12-67/501/45/222/11-1/68/PL
Lead	101.59	4/17/68	P/502/46/153/22-12-67/302/46/076/31-1-68/PL

Tenders are invited by the Director General of Supplies and Disposals, National Insurance Bldg., Parliament St., New Delhi, India. Tender documents are available for a fee of $1.50 for item one and $2.75 each for items 2 & 3 from the India Supply Mission, 2536 Massachusetts Ave., N.W., Washington, D.C., 20008.

335 Rolling, drawing, extruding of nonferrous metals

HONDURAS—Extruded aluminum shapes as used in ceiling construction. Direct purchase and agency. Comisiones Tropicales, S. de R. L. (sales representation). Attn: Roberto Aguilar Woods, Mgr., Apartado Postal 314, Tegucigalpa. WTD 10/67.

342 Cutlery, hand tools, general hardware

NETHERLANDS—Automotive hardware, automotive tools. Direct purchase and agency, N.V. Feith (importer, distributor), 15 Nieuwe Kade, Arnhem. WTD 3/68.

Automotive hand tools. Sales agent or importing distributor for Netherlands or Benelux countries. N.V. Internationale Handelmaatschappij Imeka (importer, distributor), 194 Keizersgracht, Amsterdam. WTD 2/68.

SWITZERLAND—Hand tools for metalworking, garages, general maintenance. Requests catalogs or descriptions in French, German; offers in Swiss francs c.i.f. Europeah port; measurements; net, gross weights. Agency and direct purchase. Outilla, Emile Freivogel (importer, distributor), 57 rue de Lausanne, 1200 Geneva. WTD in preparation.

Small precision hand tools for precision, repair work; used in electronics, laboratories, universities, radio. Henri Picard & Frere Ltd. (manufacturer, distributor), 89 rue de la Serre, 2301 La Chaux-de-Fonds. Attn: Mr. A. Arne Andersson. WTD 1/68.

Mechanics' hand service tools; plumbers' tools. Direct purchase and agency. Induba AG (importer, representative), Winkelstrasse 19, 8706 Meilen. WTD 7/67.

Marine hardware. Direct purchase and agency. Fritz Steiger (manufacturer, distributor), Davidstrasse 17, 9000 St. Gallen. WTD 3/68.

343 Plumbing fixtures

GERMANY—Sanitary bathroom, toilet fittings made of brass. Okusa International Corp. GmbH. (importer), Brook 1-2, Hamburg 11. WTD 9/66.

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505 Tel. 247-0311.

ANCHORAGE, ALASKA, 99501, 306 Lousase-Sage Bldg. Area Code 907 Tel. 272-6331.

ATLANTA, GA., 30303, 4th Floor Home Savings Bldg., 75 Forsyth St. N.W. Area Code 404 Tel. 526-6000.

BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301 Tel. 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. Area Code 205 Tel. 325-3327.

BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617 Tel. 223-2312.

BUFFALO, N.Y., 14203, 504 Federal Bldg., 117 Ellicott St. Area Code 716 Tel. 842-3208.

CHARLESTON, S.C., 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803 Tel. 577-4171.

CHARLESTON, W. VA., 25301, 3002 New Federal Office Bldg., 500 Quarrier St. Area Code 304 Tel. 343-6196.

CHEYENNE, WYO., 82001, 6022 Federal Bldg., 2120 Capitol Ave. Code 307 Tel. 634-3920.

CHICAGO, ILL., 60604, 1486 New Federal Bldg., 219 South Dearborn St. Area Code 312 Tel. 353-4400.

CINCINNATI, OHIO, 45202, 9028 Federal Office Bldg., 550 Main St. Area Code 513 Tel. 684-2944.

CLEVELAND, OHIO, 44101, 4th Floor, Federal Reserve Bank Bldg., E. 6th St. and Superior Ave. Area Code 216 Tel. 522-4750.

DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Area Code 214 Tel. 749-3287.

DENVER, COLO., 80202, 16419 Federal Bldg., 20th and Stout Sts. Area Code 303 Tel. 297-3246.

DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515 Tel. 284-4222.

DETROIT, MICH., 48226, 445 Federal Bldg. Area Code 313 Tel. 226-6088.

GREENSBORO, N.C., 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919 Tel. 275-9111.

HARTFORD, CONN., 06103, 18 Asylum St. Area Code 203 Tel. 244-3530.

HONOLULU, HAWAII, 96813, 332 Alexander Young Bldg., 1015 Bishop St. Tel. 588-977.

HOUSTON, TEX., 77002, 5102 Federal Bldg., 515 Rusk Ave. Area Code 713 Tel. 228-0611.

JACKSONVILLE, FLA., 32202, P.O. Box 35087, 400 W. Bay St. Area Code 904 Tel. 791-2796.

KANSAS CITY, MO., 64106, Room 2011, 911 Walnut St. Area Code 816 Tel. 374-3141.

LOS ANGELES, CALIF., 90015, Room 450, Western Pacific Bldg., 1031 S. Broadway. Area Code 213 Tel. 688-2833.

MEMPHIS, TENN., 38103, 710 Home Federal Bldg., 147 Jefferson Ave. Area Code 901 Tel. 534-3214.

MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305 Tel. 350-5267.

MILWAUKEE, WIS., 53203, Straus Bldg., 238 West Wisconsin Ave. Area Code 414 Tel. 272-8600.

MINNEAPOLIS, MINN., 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612 Tel. 334-2131.

NEW ORLEANS, LA., 70130, 909 Federal Office Bldg., S., 610 South St. Area Code 504 Tel. 527-6546.

NEW YORK, N.Y., 10001, 61st Floor, Empire State Bldg., 350 Fifth Ave. Area Code 212 Tel. 563-3377.

PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215 Tel. 597-2850.

PHOENIX, ARIZ., 85025, 5413 New Federal Bldg., 230 N. First Ave. Area Code 602 Tel. 261-3285.

PITTSBURGH, PA., 15222, 2201 Federal Bldg., 1000 Liberty Ave. Area Code 412 Tel. 644-2850.

PORTLAND, OREG., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503 Tel. 226-3361.

RENO, NEV., 89502, 2028 Federal Bldg., 300 Booth St. Area Code 702 Tel. 784-5203.

RICHMOND, VA., 23240, 2105 Federal Bldg., 400 N. 8th St. Area Code 703 Tel. 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314 Tel. 622-4243.

SALT LAKE CITY, UTAH, 84111, 3235 Federal Bldg., 125 S. State St. Area Code 801 Tel. 524-5116.

SAN FRANCISCO, CALIF., 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415 Tel. 556-5864.

SAN JUAN, P.R., 00902, Room 100, Post Office Bldg. Phone 723-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Area Code 912 Tel. 233-4321.

SEATTLE, WASH., 98104, 809 Federal Office Bldg., 909 First Ave. Area Code 206 Tel. 583-5615.

ITALY—Gas oil burners from 15,000 to 60,000 calories (59,520 to 238,080 BTU) for small houses, cottages. Ocean, S.n.c. (manufacturer), Via Mazzini 36/B, Verolanuova (Brescia). WTD in preparation.

344 Fabricated structural metal products

AUSTRALIA—Manufacture, supply and delivery of six inlet stoplog guides and seal seats, and/or six fixed wheel gate frames, seats, tracks and guides. Tender No. M.160, bid deadline May 1. Snowy Mountains Hydro-Electric Authority, P.O. Box 332, Cooma North, N.S.W. 2629.★ (Telephone: 202-967-5585).

ITALY—Carborundum, glazed cast iron melting pots. Marbo S.a.s., Prodotti Chimici Industriali (manufacturer, representative), Via C. Pisacane, 20016 Pero (Milan). WTD in preparation.

348 Fabricated wire products

SWEDEN—Carts, supermarkets. Direct purchase and agency. Firma Stenkvist i Solna (agent, importer), Lungagatan 3 B, Solna. WTD 3/68.

349 Fabricated metal products

● **MALAYSIA**—Supply of varying sizes and quantities of valves, hydrants, spun iron pipes, ferrules and waste-not taps. Tender No. (3) DLM.PKR S.26/223, bid deadline Apr. 15. The Director of Public Works, Public Works Department, Headquarters, Maxwell Rd., Kuala Lumpur.★ (Telephone: 202-967-5585).

NETHERLANDS—Stainless steel valves. Direct purchase and exclusive representation. P.L.W. de Ridder & Co. N.V. (importer), 13 Amsterdamseestraatweg, Naarden. WTD 6/67.

● **NEW ZEALAND**—Supply of pipe fittings, flanges and ells in small quantities. Tender Nos. SMQ-2957 and SMQ-2959, bid deadline Apr. 15. Stores Manager, Ministry of Works, P.O. Box 12043, Wellington.★ (Telephone: 202-967-5585).

SWEDEN—Small garden type fountains. Direct purchase and agency. Firma Stenkvist i Solna (agent, importer), Lungagatan 3 B, Solna. WTD 3/68.

SWITZERLAND—Technical metal novelties, specialities. Direct purchase and agency. Fritz Steiger (manufacturer, distributor), Davidstrasse 17, 9000 St. Gallen. WTD 3/68.

351 Engines, turbines

● **ARGENTINA**—$25.75 million (approx.) expansion to Necochea Regional Electricity Generating Plant presently equipped with two 66 MW steam turbine generators. Tender No. 362, bid deadline 2 P.M., May 28. Correspondence preferred in Spanish. Specifications and bid documents can be obtained for 50,000 Argentine pesos (approx. $143) from Direccion de la Energia (D.E.B.A.) Calle 55 No. 570, La Plata, Province of Buenos Aires.

352 Farm machinery

GUATEMALA—Farm machinery, equipment. Direct purchase and agency. Juan U. Maegli & Cia., Ltda. (manufacturers' representative), 6a. Av. 1-21, Zona 4, Guatemala City. WTD 2/68.

Poultry equipment. Direct purchase and agency. La Semilla Centro Avicola (manufacturers' representative), 6a. Av. 6-51, Zona 4, Guatemala City. WTD 3/68.

353 Construction, mining, materials handling machinery, equipment

NETHERLANDS—Oil, gas field tools, equipment. Direct purchase and representations for Europe requested. Netherlands Oil Tool Supply & Rental Tools (agent, distributor, importer, exporter), 17b Klooster, Coevorden. WTD 3/68.

SWEDEN—Conveyor systems for use in supermarkets to move purchases from checkout to private auto loading station. Direct purchase and agency. Firma Stenkvist i Solna (agent, importer), Lungagatan 3 B, Solna. WTD 3/68.

354 Metalworking machinery

● **INDIA**—One high precision instrument lathe, 4″ swing, 9½″ between centers with attachments. Tender No. BARC/P/CAP/911, bid deadline Apr. 30. Head, Stores and Purchase, Bhabha Atomic Research Centre, Mohatta Building, 3rd Floor, Paldon Rd., Bombay 1.★ (Telephone 202-2723).

● Six universal under floor type wheel lathes suitable for reprofiling of worn-out locomotive tires, Tender No. WMT: 1/Wheel Lathes/68. Bid deadline May 2, Director General of Suppliers and Disposals, National Insurance Bldg., Parliament St., New Delhi.

Complete tender documents, for $2.75 each, are available from the India Supply Mission, 2536 Massachusetts Ave., N.W., Washington, D.C. 20008. Refer to ISM No. D/ENQ/2514.

● **IRAN**—Wagon wheel machinery, including three heavy-duty wheel lathes suitable for profiling new and worn-out tire wheel sets; one internal surfacing lathe; and one single-column vertical turning and boring machine. Tender No. 1134/46, bid deadline May 7. The Iranian State Railways, Tehran.★ (Telephone: 202-967-2723).

NETHERLANDS—Automotive maintenance equipment such as wheel balancers, frame straighteners, other garage equipment. Direct purchase and agency. N.V. Feith (importer, distributor), 15 Nieuwe Kade, Arnhem. WTD 3/68.

Automotive hand tools, small garage equipment. Sales agent or importing distributor for Netherlands or Benelux countries. N.V. Internationale Handelmaatschappij Imeka (importer, distributor), 194 Keizersgracht, Amsterdam. WTD. 2/68.

SWITZERLAND—Metalworking tools, tooling, dies, punches, checking devices, power driven hand tools, automotive maintenance machinery, equipment. Requests catalogs or descriptions in French, German; offers in Swiss francs c.i.f. European port; measurements; net, gross weights. Agency and direct purchase. Outilla, Emile Freivogel (importer, distributor), 57 Rue de Lausanne, 1200 Geneva. WTD in preparation.

Machine tools, metal forming type; sheet metal punching; shearing machines; bending, forming machines; metalworking presses; small cutting tools for machine tools; metalworking machinery; carbon steel; solid and tipped carbide; riveting machines, parts; machine tool attachments, accessories; metal container-making machinery. Direct purchase and agency. Induba AG (importer, representative), Winkelstrasse 19, 8706 Meilen. WTD 7/67.

Special dies and tools, jigs and fixtures, pneumatic grinders, polishers, sanders, new tools for metalworking industry. Direct purchase and agency. Industrie-Bedarf AG (agent, distributor, importer), Glattalstrasse 138, 8050 Zurich. WTD 7/67.

355 Special industry machinery

INDIA—Machinery, equipment, testing apparatus and accessories for plant to manufacture 10 million silicon transistors starting with silicon crystals. Mr. B. L. Patel, Development Superintendent, Power Cables Private Ltd. (manufacturer), 24 Brelvi Sayed Abdulla Rd., P.B. No. 1522, Bombay 1. WTD in preparation.

● **IRAN**—Supply of one beet sugar drier with a mill capacity of 1200 tons in 24 hrs. Tender No. 953, bid deadline Apr. 15th. Iranian Factories Co., Tehran, Iran.★ (Telephone: 202-967-4327).

● Supply of three beet sugar presses, with a mill capacity of 700 tons per 24 hrs. Tender No. 954, bid deadline Apr. 17. Iranian Factories Co., Tehran.★ (Telephone: 202-967-5585).

ITALY—Machinery, equipment for manufacturing ceramic condensers. R.I.R., di Renato Flori & Co. (manufacturer), Via Cavezzali 16, Milan. WTD in preparation.

PAKISTAN—Machinery to completely equip corn products factory which will produce starch, glucose, dextrine, corn oil, germ, cattle feed, corn flour from corn (maize). Machinery, ancillary equipment should have minimum capacity to process 15 tons of corn per 24 hours; quotations c.i.f. Karachi. Sajjad Ahmad & Co. (manufacturer), Peer Bakhsh Bldg., Peshawar. WTD in preparation.

PORTUGAL—Machinery for delinting cotton seed by mechanical, chemical process; machinery, equipment for cleaning, bleaching cotton linter. Direct purchase and agency. Ernesto Gois Pinto (buying agent), Praca do Chile 15-2°, Lisbon 1. WTD 5/67.

Three rayon twisting frames; 200 to 300 spindles each. Fibra Comercial Lusitana, Lda. (manufacturer), 1904 Avenida da Boavista, Oporto. WTD in preparation.

SWITZERLAND—Tobacco working machinery, tobacco vacuum humidifiers. Polymer AG, (manufacturer, distributor), Schwarztorstrasse 57, 3000 Bern. Attn: Mr. H. O. Wirth. WTD 3/68.

356 General industrial equipment

● **INDIA**—Supply of 20 rotary vacuum pumps without motors and base plates, and with a capacity of six cu. feet/min. Tender No. BARC/P/CAP/429, bid deadline Apr. 30. Head, Purchase and Stores Div., Bhabha Atomic Research Centre (Purchase Div.), Mohatta Bldg., 3rd Floor, Palton Rd., Bombay.★ (Telephone: 202-967-5585).

● **IRAN**—Supply of one complete compressor with motor, capacity 750 cu. meters/hour. Tender No. 1683/46, bid deadline May 21. Iranian State Railways, Tehran, Iran.★ (Telephone: 202-967-5585).

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

SWITZERLAND—Miniature and instruments ball bearings of high precision; ball and roller bearings for construction machinery. Sole agency and direct purchase. Eric Meylan (importer, distributor), 9 Vieux-Grenadiers, 1211 Geneva 4. WTD 12/67.

357 Office, computing, accounting machines

SWITZERLAND—Typewriters, office calculating machines, addressing, dictating, other office machines. Direct purchase and agency. Fritz Steiger (manufacturer, distributor), Davidstrasse 17, 9000 St. Gallen. WTD 3/68.

358 Service industry machines

FRANCE—Ultra low temperature freezers, laboratory type; ice-making machines. Direct purchase and agency. Norfroid S.A. (importer, manufacturer, wholesaler), 10, rue Petit, Paris, 19eme. WTD in preparation.

362 Electrical industrial apparatus

FRANCE—Small electric motors. Compagnie Optorg (importer, wholesaler), 5, rue Bellini, 92 Puteaux. WTD 12/67.

363 Household appliances

NETHERLANDS—Electric household articles such as mixers, hot plates, coffee makers, toasters, novelties in this field. Sales agent or importing distributor for Netherlands, Benelux countries. N.V. Internationale Handelmaatschappij Imeka (importer, distributor), 194 Keizersgracht, Amsterdam. WTD 2/68.

367 Electronic components, accessories

ENGLAND—Electronic components for industrial applications. Agency and direct purchase. Manufacturing under license arrangement also considered. Waycom Ltd. (sales agent, distributor, importer), Wokingham Rd., Bracknell, Berkshire. WTD 3/68.

Components and raw materials for electronics industry; quartz products for electronic application. Westo Industrial Products Ltd. (importer), 5 Addison Ave., London, W.11. WTD 3/68.

GERMANY—Electronic condensers, tubes, resistors, transistors, thyristors, other electronic components for measuring instruments. Direct purchase and agency. Requests replies in German. Spoerle Electronic Handelsgesellschaft (wholesaler, exporter, importer, sales agent), 6 Frankfurt/Main, Gutleutstr. 7-9. WTD 3/68.

NETHERLANDS—All types of electronic components, accessories. Direct purchase and exclusive agency. Mulder-Hardenberg (importer, agent, distributor), Michelangelostraat 10, P.O. Box 7256, Amsterdam. WTD 3/68.

371 Motor vehicles, motor vehicle equipment

GERMANY—All types of motor vehicle accessories. Direct purchase and agency. Buco Autoschonbezuege Medrisch & Buchmueller GmbH (manufacturer, wholesaler), 7065 Winterbach/Rems. WTD 3/68.

NETHERLANDS—Automobile parts, accessories. Direct purchase and agency. N.V. Feith (importer, distributor), 15 Nieuwe Kade, Arnhem. WTD 3/68.

372 Aircraft, parts

FRANCE—Helicopters, heavy-duty, cargo capacity 60 metric tons and up; preferably modern-type aircraft designed for prompt, easy loading, unloading and transportation by air of merchandise or heavy products. Descriptive literature requested. Paris (Jean-Jacques) ("Givral") (wholesaler), Avenue du General-Leclerc; 47- Agen, Lot-et-Garonne. WTD in preparation.

373 Ship building, repairing

SWITZERLAND—Outboard motor boats; metal, plastic runabouts; sailboats. Direct purchase and agency. Fritz Steiger (manufacturer, distributor), Davidstrasse 17, 9000 St. Gallen. WTD 3/68.

374 Railroad equipment

● **SUDAN**—200 thirty ton steel box cars. Contract No. 3862. Specifications and drawings are available from Controller of Stores, Sudan Railways, P.O. Box 65, Atbara, for approximately $14.35. Bid deadline Apr. 18.

382 Instruments for measuring, controlling, indicating physical characteristics

● **COLOMBIA**—Supply of 85,000 water meters for residences, and 34 test benches for meters of various sizes. Tender No. 30, bid deadline May 3. Complete set of specifications available, for 2,500 Colombian pesos or $160.00, from issuing authority, Empresa de Acueducto y Alcantarillado de Bogota, D.E., (Water-Supply and Sewer Co. of Bogota) Plan Maestro Acueducto, Avenida Jimenez, No. 4-90, Piso 3, Bogota. Purchase to be financed by Inter-American Development Bank.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subisidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

---

384 Surgical, medical, dental instruments

● **EL SALVADOR**—Supply of surgical, medical appliances, equipment and rubber hospital supplies. Tender No. 12/68, bid deadline Apr. 24. Correspondence preferred in Spanish. Terms and specifications available from submitting agency: Direccion General de Salud, Calle Arce 827, San Salvador, El Salvador, C.A.

● **See SIC 283 Drugs**—The General Administration of Health, El Salvador.

HONDURAS—Surgical, medical equipment, supplies as used in hospitals. Direct purchase and agency. Osmond L. Maduro (manufacturers' representative), Apartado Postal 213, Tegucigalpa. WTD 2/68.

386 Photographic equipment

FRANCE—Electrostatic reproduction equipment, other reproduction equipment. Direct purchase and agency. Printess-Planocop France (importer, retailer), 9, rue de Chateaudun, 75 Paris, 9eme. WTD 9/67.

394 Toys, amusement, sporting and athletic goods

NETHERLANDS—Toys, especially novelties in this field. Sales agent or importing distributor for Netherlands, Benelux countries. N.V. Internationale Handelmaatschappij Imeka (importer, distributor), 194 Keizersgracht, Amsterdam. WTD 2/68.

396 Costume jewelry, novelties, buttons, notions

SOUTH AFRICA—Masonic jewels, basket buttons, levels, chain tassels, all other metal parts of regalia. Union Badge Co. (Pty.) Ltd. (manufacturer), P.O. Box 3477, Cape Town, Cape Province. WTD in preparation.

399 Manufacturing industries

● **HONG KONG**—Supply of 8,790 assorted fire extinguishers, with and without charges, all with special stamping; also 14,420 assorted fire extinguisher charges. Tender No. Stores C/52/105/68, bid deadline May 3. Tenders are accepted only through Hong Kong agents or by the Crown Agents for Overseas Governments and Administrations, 4 Millbank, London, S.W.1, England. (Office also in Washington. See INTERNATIONAL COMMERCE, 2/12/68, p. 27). Submitted by the Secretary, Tender Board, Colonial Secretariat, Central Government Offices, Lower Albert Rd., Hong Kong.★ (Telephone: 202-967-2939).

SWEDEN—Advertising displays, novelties, all kinds of signs. Direct purchase and agency. Firma Stenkvist i Solna (agent, importer), Lundagatan 3 B, Solna. WTD 3/68.

501 Motor vehicles, equipment

IRELAND—Garage service equipment, replacement parts for motor vehicles, motor accessories. Briggs & McCrae Ltd. (importing distributor), 12a Brunswick Place, Pearse St., Dublin 2. WTD 2/68.

504 Groceries

SWITZERLAND—Fresh fruits, vegetables likely to find ready market in Europe, via airfreight, particularly iceberg lettuce, grapes, strawberries, peperonis, mangoes, sweet potatoes, beans, nuts. Best prospects in winter, spring. Direct purchase and agency. L.G. Pelli (importer, wholesaler), Konradstrasse 55, 8005 Zurich. WTD 7/67.

Leads for Importers

Commodities are offered direct unless specified

307 Plastic products

FRANCE—Plastic bottle-stoppers of attractive types designed for standard size glass bottles containing sparkling wines. Will mail descriptive literature, price lists, samples on request. Betria & Cie (Etablissements L.) (manufacturer, wholesaler, exporter), 249-263 Rue du Jardin-Public; 33- Bordeaux, Gironde. WTD 3/68.

Sales Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

205 Bakery products

FRANCE—Biscuit, crackers; new specialties in bakery products. Requests replies in French. Les Biscuits Rogeron (manufacturer, wholesaler), 9, rue Jean-Pigeon, 94 Charenton. WTD 2/68.

207 Confectionery

FRANCE—Confectionery, solid chocolate bars, chocolate coatings; new fabrications. Requests replies in French. Les Biscuits Rogeron (manufacturer, wholesaler), 9, rue Jean-Pigeon, 94 Charenton. WTD 2/68.

240 Lumber, wood products

NETHERLANDS—All kinds of wooden basic construction materials such as hard and soft lumber, chip board, hard board, plywood, logs. Exclusive representation for EEC, EFTA countries. Internatio-Group (holding company), 29 Westerstraat or P.O. Box 567, Rotterdam-2. Attn: Mr. M. Dubbelt, Managing Dir. WTD 1/68.

264 Converted paper, paperboard products

NETHERLANDS—Packaging materials. Exclusive agency representation, if necessary stockkeeping for Benelux countries required. Niermans & Co. (sales agent), 69 Stadhouderskade, Amsterdam. WTD 2/67.

281 Industrial chemicals

FRANCE—Raw materials, basic products, industrial chemicals principally for use by petrochemical industry, petroleum refineries, paper mills. Lageneste (Bernard, de) (sales agent, chemical engineer), Les Essarts, Section de Beau-les-Mines, 87-Limoges, Haute-Vienne. WTD 3/68.

ISRAEL—Dyes for textile industry; rubber, chemicals for tire industry. Exclusive representation. Erich Ney & Co., Ltd. (importer, agent, distributor), 37 Jaffa Rd., P.O. Box 1698, Tel Aviv. WTD 2/68.

ITALY—Accelerators for polyesthers, antioxydants, organic dyes, cellulose acetate, pigments, titanium oxide. Giancarlo Arlati (agent, distributor), Via Montenapoleone 20, 20121 Milan. WTD in preparation.

282 Synthetic materials

ITALY—Polyesther resins, epoxy resins. Giancarlo Arlati (agent, distributor), Via Montenapoleone 20, 20121 Milan. WTD in preparation.

NETHERLANDS—Packaging materials. Exclusive agency representation, if necessary stockkeeping, for Benelux countries required. Niermans & Co. (sales agent), 69 Stadhouderskade, Amsterdam. WTD 2/67.

285 Paints, varnishes, lacquers, enamels

NETHERLANDS—Impregnating lacquer for armatures, field coils. Agency representation, licensing or other arrangement for Western Europe. Handelscompagnie N.V. (importer, distributor, agent, exporter, manufacturer, assembler). Attn: Mr. J. Bolkestein, 1 Waalhaven O.Z., or P.O. Box 5050, Rotterdam-22. WTD 3/67.

329 Abrasive, asbestos, nonmetallic mineral products

ITALY—Kaolin, mica. Giancarlo Arlati (agent, distributor), Via Montenapoleone 20, 20121 Milan. WTD in preparation.

330 Primary metal industries

NETHERLANDS—Special, alloyed, and stainless steels, nonferrous metals, aluminum, industrial forgings. Exclusive representation for EEC and EFTA countries. Also interested in licensing, assembly or other production arrangement. Internatio-Group (holding co.), 29 Westerstraat or P.O. Box 567, Rotterdam-2. Attn: Mr. M. Dubbelt, Managing Dir. WTD 1/68.

342 Cutlery, hand tools, general hardware

FRANCE—Cabinet and builders' hardware, furniture hardware, hand tools, allied products of all categories, including artisan workers' kits, "do-it-yourself" articles, gadgets. Lecumberry (Pierre H.) (sales agent, commission merchant), 12 Quai Galuperie; 64- Bayonne, Basses-Pyrenees. WTD 3/68.

NETHERLANDS—All kinds of hand tools for industry, hardware, do-it-yourself outlets; horticulture, gardening; plumbing; kitchen utensils. Exclusive representation for EEC, EFTA countries; also interested in licensing, assembly, other production arrangement. Internatio-Group (holding company), 29 Westerstraat or P.O. Box 567, Rotterdam-2. Attn: Mr. M. Dubbelt, Managing Dir. WTD 1/68.

343 Heating apparatus, plumbing fixtures

NETHERLANDS—All kinds of materials, products, tools for plumbing sector, including sanitary ware, pipes, installation materials; all kinds of room, central, and industrial heating equipment, components, household stoves, room heaters, kitchen ranges. Exclusive representation for EEC and EFTA countries. Also interested in licensing, assembly or other production arrangement. Internatio-Group (holding company), 29 Westerstraat or P.O. Box 567, Rotterdam-2. Attn: Mr. M. Dubbelt, Managing Dir. WTD 1/68.

344 Fabricated structural metal products

AUSTRALIA—Steel decking, interlocking galvanized steel structural panels. Improved Constructions (N.S.W.) Pty. Ltd. (manufacturing engineer, retailer, distributor, agent, exporter), Woodville Rd., Villawood, N.S.W. 2163. WTD 11/67.

349 Fabricated metal products

ITALY—High pressure and special alloys valves; line gate, plug valves; relief, safety full lift valves; remote controls for valves. Favra Italiana, S.p.A. (manufacturer, distributor), Via Abbondio Sangiorgio 15, Milano. WTD in preparation.

NETHERLANDS—Hand-operated, electric, pneumatic corrosion resistant valves for industrial purposes. Agency representation, licensing, assembly or other arrangement for Western Europe. Handelscompagnie N.V. (importer, distributor, agent, exporter, manufacturer, assembler). Attn: Mr. J. Bolkestein, 1 Waalhaven O.Z., or P.O. Box 5050, Rotterdam-22. WTD 3/67.

Stainless steel and/or other metal flanges, valves, similar equipment for petrochemical, chemical industries. Exclusive agencies for Netherlands, Belgium, West Germany. N.V. Technisch Bureau Europa (importer, distributor, engineering contractor, installer, agent), 71 Capucijnenstraat, or P.O. Box 500, Maastricht. WTD 6/67.

Tubes, pipes, valves, flanges, fittings for petroleum refineries, other petrochemical, chemical industries. Exclusive agencies and direct purchase. Forward detailed descriptive literature, price lists. Staal- & Walserijproducten Eurostaal N.V. (importer, distributor, agent, exporter), 75 Coolsingel, Rotterdam-2. WTD 3/67.

352 Farm machinery

SUDAN—Wheel farm tractors of 65 hp. Exclusive agency. Mohamed Saleh Geries (importer), P.O. Box 293, Wad Medani. WTD in preparation.

353 Construction, mining, materials handling machinery, equipment

NETHERLANDS—Electric hoists. Agency representation, licensing, assembly or other arrangement for western Europe. Handelscompagnie N.V. (importer, distributor, agent, exporter, manufacturer, assembler), Attn. Mr. J. Bolkestein, 1 Waalhaven O.Z., or P.O. Box 5050, Rotterdam-22. WTD 3/67.

354 Metalworking machinery

NETHERLANDS—Electric hand tools such as scaling hammers, drills, grinders, also hobby tools. Agency representation, licensing, assembly or other arrangement for western Europe. Handelscompagnie N.V. (importer, distributor, agent, exporter, manufacturer, assembler), Attn: Mr. J. Bolkestein, 1 Waalhaven O.Z., or P.O. Box 5050, Rotterdam-22. WTD 3/67.

355 Special industry machinery

ENGLAND—Printing presses, or ancillary machinery, equipment relating to rotary offset litho, letterpress, gravure, flexographic fields. Agency with view to manufacturing under license at later date. Phillips Engineering Ltd. (exporter, manufacturer), Evelyn Rd., Birmingham 11, Warwickshire. WTD 3/68.

ISRAEL—All types of machinery for paper industry; also interested in acquiring "know-how". Exclusive representation. Erich Ney & Co., Ltd. (importer, agent, distributor), 37 Jaffa Rd., Tel Aviv. WTD 2/68.

NETHERLANDS—Automatic packaging machinery for food industry. Competitive prices essential. Exclusive agency for Western Europe, or license production arrangement. Olman Handelmaatschappij N.V. (importer, distributor, agent, exporter), 20 Prinses Marijkestraat, P.O. Box 84, Alphen a/d Rijn. WTD 11/67.

356 General industrial machinery

NETHERLANDS—Automatic packaging machinery for nonfood industries. Competitive prices essential. Exclusive agency for Western Europe, or license production arrangement. Olman Handelmaatschappij N.V. (importer, distributor, agent, exporter), 20 Prinses Marijkestraat, or P.O. Box 84, Alphen a/d Rijn. WTD 11/67.

361 Electric transmission, distribution equipment

NETHERLANDS—Ferrite isolators, shifters, circulators, other microwave components, instruments, equipment; electronic measuring; control equipment of specialized nature. Exclusive agency for Benelux, West Germany. Submit detailed descriptive brochures, price lists. N.V. Technische Handelsonderneming "Coimex-Vlaardingen" (importer, agent, distributor, exporter), 11 Veldweg, Hattem. WTD 7/67.

All products used by electricity distributors, large industries in high and/or low voltage area, especially highly specialized materials, equipment used in distribution of electric current, in power plants, high voltage equipment for electric systems, laboratories. Not interested in electronic equipment or components. Agencies for Benelux, Scandinavian countries. Megavolt N.V. (agent, exporter, importer), 6 Nassaulaan, Maastricht. Attn: Mr. R. Fransen. WTD in preparation.

362 Electrical industrial apparatus

NETHERLANDS—Servo motors, related equipment for chemical, petrochemical industries. Exclusive agencies for Netherlands, Belgium, West Germany. N.V. Technische Bureau Europa (importer, distributor, engineering contractor, installer, agent), 71 Capucijnenstraat, or P.O. Box 500, Maastricht. WTD 6/67.

Circuit devices, resistors, controls, other parts, components for automation. Exclusive agency. Mulder-Hardenberg (importer, agent, distributor), Michelangelostraat 10, Amsterdam, P.O. Box 7256. WTD 3/68.

Electric equipment for machine control; collectors for electric motors, especially small sizes, such as for vacuum cleaner motors. Agency representation, licensing, assembly or other arrangement for Western Europe. Handelsompagnie N.V. (importer, distributor, agent, exporter, manufacturer), Attn: Mr. J. Bolkestein, 1 Waalhaven O.Z., or P.O. Box 5050, Rotterdam-22. WTD 3/67.

366 Communication equipment

NORWAY—Teletypewriter equipment for ships. Ostlandske Lloyd A/S (manufacturers' agent, distributor), Prinsensgate 2 c, Oslo 1. WTD 2/68.

367 Electronic components, accessories

NETHERLANDS—Reed switches and relays; advanced special type electronic components, instruments, equipment. Exclusive agency for Benelux, West Germany. Submit detailed descriptive literature, price lists. N.V. Technische Handelsonderneming "Coimex-Vlaardingen" (importer, agent, distributor, exporter), 11 Veldweg, Hattem. WTD 7/67.

369 Electrical machinery, equipment, supplies

ITALY—Automobile spark plugs. Fabbrica Accumulatori Uranio, S.p.A. (manufacturer), Corso Milano 88, Verona. WTD 2/68.

372 Aircraft, parts

SWITZERLAND—Light aircraft, one and two engines; two to eight seats and related equipment. Seeks distributorship Switzerland, Europe. Air Espace SA (distributor), P.O. Box 50, 2013 Colombier. Attn: Mr. G. de Chambrier. WTD 7/66.

382 Instruments for measuring, controlling, indicating physical characteristics

NETHERLANDS—Positive displacement meters, attachments, with capacities of more than 5,700 liters per minute (roughly 1,400 gals.), positive displacement meters with capacities from 1 to 40 liters per minute (0-10 gals.). Exclusive representation required. Inbema-Rolba N.V. (sales agent, importer, wholesaler), 5-7 Mauritsstraat (P.O. Box 160), Haarlem. WTD 6/67.

Visiting Buyers and Officials

AUSTRALIA—John A. Tetlaw, Dir., Seltex Pty. Ltd., 38 York St., Sydney, N.S.W. 2000. interested in contacting U.S. manufacturers of **towels, toweling, table linens, napery, household textiles, bathroom accessories, bedspreads,** not represented in Australia. Apr. 10 or 11 via Los Angeles for indefinite stay. c/o Taft Hotel, 7th Ave. & W. 50 St., New York, N.Y. 10019. Itinerary: Los Angeles, New York. WTD 3/68.

BRAZIL—Felix Manfred Weinberg, Importadora Kawe S.A., Rua Sao Francisco da Prainha 41, Rio de Janeiro, GB, ZC-05, interested in **importing of hand tools, machine tools, novelties, gift articles, household articles, fishing gear.** Apr. 6 via Los Angeles for two weeks. c/o U.S. Department of Commerce Field Offices en route. Itinerary: 4/6-10 Los Angeles, 4/26-28 San Francisco, 4/29-30 New York. WTD 2/68.

ENGLAND—Peter D. Keeler, Man. Dir., Metal Mouldings Ltd., Park Royal Road, London, N.W. 10, interested in contacting U.S. manufacturers of **any finished products made by the continuous cold rolled forming process from strip in coil, with view to negotiating arrangements for manufacture in U.K.** Apr. 8 via Chicago for three weeks. c/o R. M. Thornton, Litho-Strip Corp., Coilitho Div., 3700 Prudential Plaza, Chicago, Ill. 60601, phone 645-1751. Itinerary: Chicago; Cleveland; Lancaster, Pa. WTD in preparation.

ETHIOPIA—Degol Yehdego, Gen. Mgr., General Ethiopian Transport Share Co., P.O. Box 472, Addis Ababa, interested in **public urban transportation.** Early April via Los Angeles for two weeks. c/o Embassy of Ethiopia, 2134 Kalorama Road, Washington, D.C. 20008. Itinerary: Los Angeles, Chicago, Washington, New York. WTD 2/68.

GERMANY—Bert Medrisch, Buco-Autoschonbezuege Medrisch & Bachmueller GmbH, 7065 Winterbach/Rems, interested in **direct purchase and agencies for all types of motor vehicle accessories.** Mar. 28 via New York for three weeks. Itinerary: 4/1-3 Chicago c/o Hotel Sheraton Chicago, 505 N. Michigan Ave., Chicago, Ill. 60611; 4/8-16 Sacramento c/o M. G. Rogers, 4382 Dorking Court, Sacramento, Calif. 95825. WTD 3/68.

NETHERLANDS—Ary J. Stahlie, Klockner Handelmaatschappij N.V., 25 Koninginnegracht, The Hague, interested in **exclusive representation for The Netherlands of machinery, machine tools, measuring instruments for metal industry, trans-container handling equipment; would like to visit plants and trans-container terminals.** Apr. 4 via New York until Apr. 30. c/o West Karlsberg, 25-35 Cummings St., New York, N.Y. 10034. Itinerary: Cleveland and Akron, Ohio; New York; Norfolk and Portsmouth, Va.; Raleigh, N.C.; New York. WTD 12/67.

H. C. Geveke, Mgr., Endress & Co. Holland N.V., 10 Eslaan, Bussum, interested in **representing U.S. manufacturers of industrial and scientific measuring, regulating, checking and recording equipment, pneumatic and electronic equipment, especially ultrasonic flow measuring equipment, turbidimeters and other turbidity measuring equipment, vibration test equipment, gravity meaurement and control instruments;** is prepared to visit all companies having interesting business proposals for The Netherlands, Belgium, France, Austria, Sweden or Switzerland for as Managing Director of Endress & Hauser Intl. Bussum, he is authorized to conclude business contracts for the other European sales offices. Mar. 26 via New York for 2-3 weeks. c/o Machinery Electrification Inc., 56 Hudson St., Northboro, Mass. 01532. Itinerary: New York, Northboro, itinerary flexible. WTD 3/67.

SOUTH AFRICA—Raoul Barenblatt, N.D. (Pty.) Ltd. trading as The National Distributors, 54 Victoria Road, Woodstock, Cape Province, interested in licensing and/or representation agreements with U.S. firms for manufacture and distribution in South Africa of **household cleaning materials and disinfectants, aerosols, rug cleaners, permanent floor finishes, motor car accessories and cleaning materials.** Apr. 7 via New York for two weeks. c/o American Foreign Trade Corp., 225 W. 34th St., New York, N.Y. 10001. Itinerary: New York; New Haven, Conn. WTD 2/66 under revision.

TURKEY—Selcuk Yasar, Durmus Yasar ve Ogullari Boya, Vernik ve Recine Fabrikase A.S. (DYO Paint, Varnish and Resin Co.), P. K. 594, Izmir, interested in investigating ideas and locating possible partners for a proposed **tourist hotel on the Aegean coast of Turkey.** Apr. 6 via New York for approx. two weeks. c/o W. L. Finger, International Executive Service Corps, 545 Madison Ave., New York, N.Y. 10022. Itinerary: 4/6-13 New York, 4/13-16 Palm Beach-Miami area, 4/16-19 Washington, 4/20 New York. WTD 1/68.

URUGUAY—Julio Fornaro, Pres., Julio Fornaro S.A., Camino Casavalle 4387, Montevideo, interested in **buying jar and bottle metallic top making machinery,** in obtaining license agreements with U.S. manufacturers of metal tops, and requesting technical information. Apr. 8 via New York for one month. c/o Waldorf-Astoria Hotel, Park Ave. & E. 50th St., New York, N.Y. 10022. Itinerary: New York, Buffalo, Baltimore, Chicago. WTD 2/68.

New Books and Reports

***Doing Business in Mexico.* Edited by Jac L. Goldstucker. Published by De Paul University. Chicago. 1967. 86pp. $3.**

This book contains papers by men active in various aspects of the Mexican scene. It is the sixth in De Paul University's series on doing business abroad, begun in 1963.

Topics include: Political, financial, tax and legal aspects of doing business in Mexico; marketing in Mexico; and opportunities for trade and investments. The book does not cover year-end Mexican tax changes. Contributors to the volume include: an international executive of the Northern Trust Co., commercial attache of the U.S. Embassy in Mexico, two tax experts, chairman of the political science department at Oakland University, and Dr. Goldstucker, who is chairman of the marketing department at De Paul.

Write: College of Commerce, De Paul University, 25 East Jackson Blvd., Chicago, Ill. 60604.

***Opportunity, 1967.* Published by the Scottish Industrial Estates Corp. Glasgow. 1967. 124pp. Free.**

A useful publication for those interested in Scotland, this book provides information on the services of the Scottish Industrial Estates Corp., and general facilities available to industry in Scotland.

Included are brief descriptions of such areas as transportation, communications, harbors, power and industrial estates. A short trade directory is also contained in the publication.

Write: Scottish Industrial Estates Corp., 3 Woodside Place, Glasgow, C.3., Scotland.

***Directory of British Associations 1967-68.* Published by CBD Research Ltd. England. 1967. 304pp. $15.**

Over 2,000 associations have been added to this second edition, bringing the total number listed to approximately 6,000. More than one-third of the organizations are trade associations; 2,000 are professional institutes, scholarly, technical or research societies; and the remainder include sports organizations, hobby societies, welfare, charitable and cultural organizations and other voluntary groups.

The *Directory* covers the United Kingdom, the Republic of Ireland, the Isle of Man, and the Channel Islands. It is indexed alphabetically by association names, and cross-indexed by abbreviations by which the associations are commonly known, their publications, and the interests they serve. Information about individual organizations includes: address, telephone and telex number; location of branches; date of founding; number of members; publications; and details of activities, such as conferences, training, research and information services.

Write: CBD Research Ltd., 114 High St., Beckenham, Kent, England.

***U.S.-Canadian Free Trade: The Potential Impact on the Canadian Economy.* Published by the Canadian-American Committee. Canada. 1968. 54pp. $1.50.**

This report is based on a book on the same subject published last fall by the Harvard University Press. It concludes that free trade with the United States would ultimately increase average Canadian real incomes by about 10% and money incomes of manufacturing workers by as much as 30%.

The report is jointly sponsored by the National Planning Assn., Washington, D.C., and the Private Planning Assn. of Canada. The authors of both the report and the book are Paul and Ronald Wonnacott, economics professors at the University of Maryland and the University of Western Ontario, respectively. The Canadian-American Committee has issued this simplified, paperback version of the study to encourage wide dissemination and discussion.

Write: National Planning Assn., 1606 New Hampshire Ave. NW., Washington, D.C. 20009.

Hong Kong directory data

The Chinese Manufacturers' Association of Hong Kong 1967 Directory of Members, reviewed on this page last week, is available in reference copy, and at only some Field Offices. Readers are advised to call ahead to determine availability at the various offices.

***G.m.b.H.—German Law Concerning the Companies With Limited Liability.* Translation and introduction by Dr. Rudolf Mueller. Published by Fritz Knapp Verlag. Frankfurt/Main. 1967. 48pp. About $1.75.**

Following the 1965 translation of the German corporation law (see INTERNATIONAL COMMERCE issue of June 26, 1967, p. 48), the publisher has now arranged for an English translation of the German law on limited-liability companies.

The G.m.b.H. (*Gesellschaft mit beschraenkter Haftung*) has become a very common type of corporate business organization in Germany, with more than 20 times as many such companies as there are stock corporations. Many U.S. companies have used this form of organization when setting up a subsidiary in West Germany.

The law dates back to 1892 and has been amended several times, lastly in 1965.

The translation of the law is preceded by an explanatory introduction, which should be of interest to non-German users. Another useful feature is a sample form, in English, for the articles of incorporation. The publication should prove valuable to U.S. businessmen, lawyers, consultants and others concerned with the legal basis of this form of business organization.

Write: Fritz Knapp Verlag, 6 Frankfurt/Main 1, Sandgasse 2, Federal Republic of Germany.

***Focus on Taiwan.* Published by the Bank of America. San Francisco. 1968. 22pp. Free.**

Subtitled an Economic Study of the Republic of China, this book includes information on the economic history, labor force, industrial trends, and business and investment climates.

Taiwan's role in Asia, in both agricultural and manufacturing development, is analyzed.

Tables and charts are included on: Taiwan's fisheries, primary energy requirements, industry output, exports and imports, and projected growth of its GNP.

Write: Bank of America N.T. & S.A., Foreign Trade Services, 550 Montgomery St., San Francisco, Calif. 94120.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1968—301 941/39

Calendar *for international traders*

ATLANTA—Apr. 11—In-Office Export Conference, Commerce Field Office. Sponsors: Commerce Field Office, REEC.

BOSTON—Apr. 16-17—Businessmen's Consultation, **Wolfgang F. Robinow, Trade Center Director, Frankfurt.** Sponsor: Commerce Field Office.

CEDAR RAPIDS, Ia.—Apr. 16—Int'l Trade Bureau of Chamber of Commerce monthly dinner meeting, Roosevelt Hotel, 6 p.m. Speaker: John H. Graflund, John Deere & Co.

CHICAGO—Apr. 9—Automotive Exporters' Club of Chicago, Builders Bldg.

CHICAGO—Apr. 11—Int'l Trade Club of Chicago, LaSalle Hotel.

CHICAGO—Apr. 16—In-Office Meeting. Sponsor: Commerce Field Office.

COLUMBIA, S.C.—Apr. 12—Governor's Conference on World Trade, Wade Hampton Hotel, 10 a.m.-2 p.m. Speakers: John R. Kimberly, chm. of board, Kimberly-Clark Corp. and NEEC member; Gov. Rob't E. McNair. Sponsors: Commerce Field Office, REEC.

DALLAS—Apr. 10—In-Office Export Workshop. Sponsors: Commerce Field Office, REEC.

DENVER—Apr. 10—Businessmen's Consultation, **Michael Dowling, Commercial Attache, Jidda.** Sponsor: Commerce Field Office.

DETROIT—Apr. 16—Export Marketing Workshop, Department of Commerce. Sponsors: REEC, Commerce Field Office.

DOYLESTOWN, Pa.—Apr. 8—Int'l Trade Development Assn. of Bucks County monthly meeting, Conti's Cross Keys Inn, 6 p.m.

HARRISBURG, Pa.—Apr. 9-10—2nd Annual Int'l Trade Seminar on Pennsylvania & the Far East—a Profitable Partnership, Penn Harris Hotel. Sponsor: Pa. Dept. of Commerce.

HARTFORD—Apr. 10—First of 5 weekly foreign trade classes, Hartford Nat'l Bank & Trust Co., 7 p.m. Sponsors: Commerce Field Office, REEC, Hartford Nat'l Bank & Trust Co.

HARTFORD—Apr. 15—Businessmen's Consultation, **Wolfgang F. Robinow, Trade Center Director, Frankfurt.** Sponsor: Commerce Field Office.

Calendar deadline

Information for publication must be received three weeks before the date of the announced event. Include time, place, sponsoring organization and special topic, if applicable. Meetings must be open to the public in order to be publicized in this space. **Write:**

Managing Editor,
International Commerce
BIC-204
U.S. Department of Commerce
Washington, D.C. 20230.

KANSAS CITY—Apr. 9—Trade Expansion Program, individual consultations, luncheon, Plaza Inn. Sponsors: Commerce Field Office, REEC, CASL, Int'l Trade Club.

KANSAS CITY—Apr. 11—In-Office Workshop for Exporters, Federal Office Bldg., 2 p.m. Sponsors: Commerce Field Office, REEC.

MEMPHIS—Apr. 16—Memphis World Trade Club, "Trading With Japan," Sheraton Motor Inn.

MINNEAPOLIS—Apr. 16—In-Office Export Conference. Sponsors: Commerce Field Office, REEC.

NEW YORK—Apr. 9-10—Businessmen's Consultation, **David R. Thomson, Economic Counselor, Kabul.** Sponsor: Commerce Field Office.

NEW YORK—Apr. 11—Overseas Automotive Club, Summit Hotel, 12 noon.

NEW YORK—Apr. 15-16—Businessmen's Consultation, **Hilding A. Peterson, Commercial Officer, Rotterdam/to Toronto.** Sponsor: Commerce Field Office.

NEW YORK—Apr. 16—Int'l Executives Assn. luncheon, Hotel Statler Hilton, 11:45 a.m. Speaker: Hugh Hyde, pres., Johnston Int'l Publishing Corp.

NEW YORK—Apr. 16—FCIB Hardware-Automotive & Allied Trades Group, Advertising Club, 12:30 p.m.

READING, Pa.—Apr. 10—Reading Foreign Traders Assn. monthly dinner meeting, Abraham Lincoln Hotel.

SAN FRANCISCO—Apr. 8-12—Course on Fundamentals of Int'l Business, San Francisco Hilton Hotel. Sponsor: American Management Assn.

SAN FRANCISCO—Apr. 10—General Export Seminar, Room 13450, New Federal Bldg., 9:30 a.m.

SAVANNAH—Apr. 16—Businessmen's Consultation, **Michael Dowling, Commercial Attache, Jidda.** Sponsor: Commerce Field Office.

SHEBOYGAN, Wis.—Apr. 9—Export Workshop, Sheboygan Area Chamber of Commerce. Sponsors: Milwaukee Commerce Field Office, REEC, Chamber of Commerce.

WEIRTON, W. Va.—Apr. 10—Int'l Trade Seminar, Community Center, 10 a.m. Sponsors: Charleston Commerce Field Office, Chamber of Commerce, REEC, Small Business Admin.

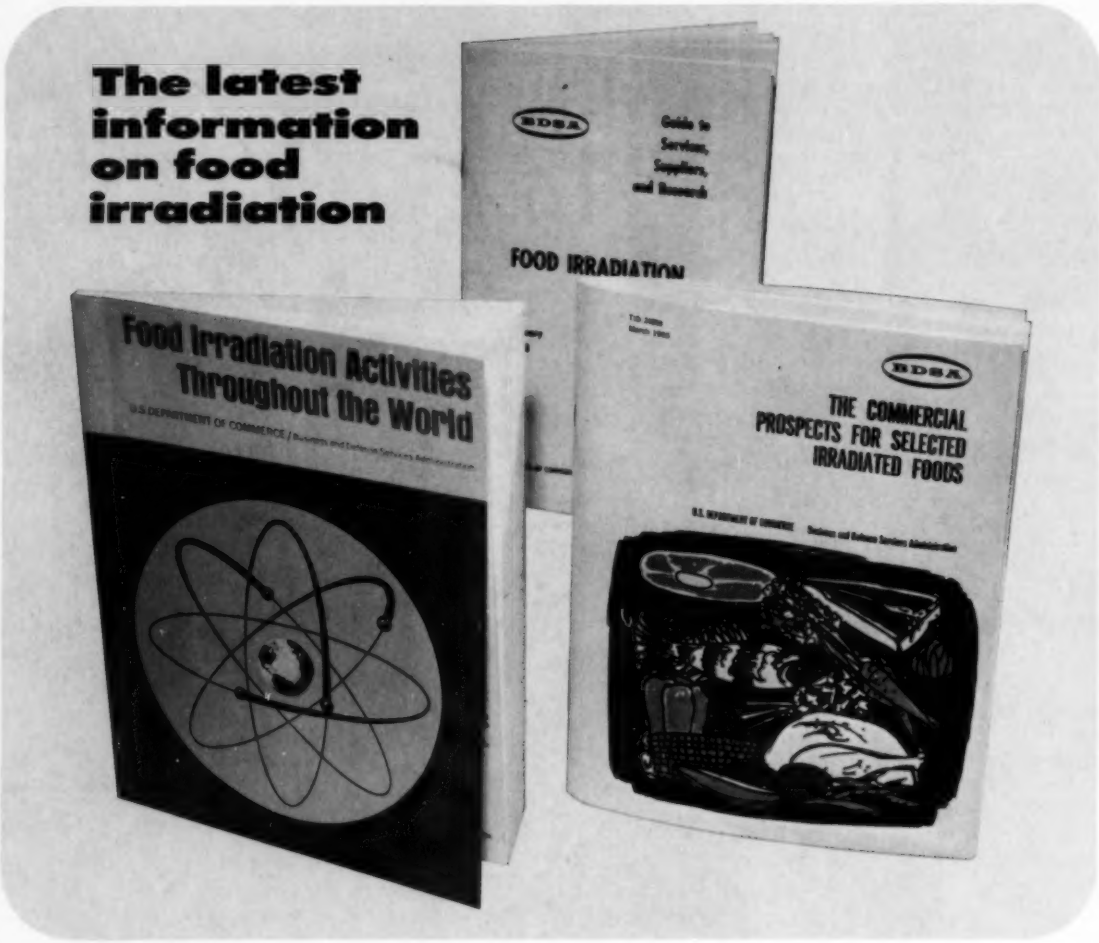
UNITED STATES
GOVERNMENT PRINTING OFFICE
DIVISION OF PUBLIC DOCUMENTS
WASHINGTON, D.C. 20402

OFFICIAL BUSINESS

UNIVERSITY MICROFILMS
300 NORTH ZEEB RD
ANN ARBOR MICH 48106
SERIALS SECTION
CR - MAY 46129

FEES PAID
PRINTING OFFICE

ass Mail



The Commercial Prospects for Selected Irradiated Foods, 50c

Evaluation of production, marketing and economic factors determining commercialization. Specific recommendations for expediting commercialization. Five products—vegetables, bananas, marine products, poultry, beef and pork.

Food Irradiation Activities Throughout the World, 50c

Complete reference to all organizations doing research and development in food irradiation. Specific reference to commercial operations. Covers 76 countries, 20 world agencies.

Guide to Services, Suppliers, and Research, 50c

A handy directory of business firms, government agencies, universities, and research organizations. Listed by name with description of food irradiation projects.

Order your copies now from any U.S. Department of Commerce Field Office or from Superintendent of Documents, GPO, Washington, D.C. 20402